THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

Vol. XXXI — Member of Audit Bureau of Circulations — PUBLICATION OFFICE: TORONTO, JANUARY 30, 1937 — 10c a Copy; $5.00 a Year — No. 5

The Nation's Business

Swanson Writes On Transportation

Mining Industry Needs Backing in Clean-up Effort

Western Finance Is Urgent Problem

Mr. Bradshaw's View

Ontario Takes Step Toward Secession

Life Insurance Offers Services

"Road, Rail and River"

PROF. W. W. SWANSON, head of the department of economics of the University of Saskatchewan, is one of Canada's best informed writers on our national economic problems. He has been making an extended investigation of Canada's pressing problems in the field of transportation. He writes:

"The origin of our transportation troubles is plain enough. It may be summed up in a few words. We have built too many railways. We have built highways and thrown them open to freight traffic. We have built canals which have stimulated water competition with the railways. To all these has been added the greatest collapse of commerce known in modern times. We have arrived at the point where our transportation problem is one of the most serious questions which Canadians have to face."

No one will question the soundness of this judgment.

The Financial Post, in this issue, publishes the first of four articles, written by Prof. Swanson, on Canada's difficulties in the fields of road, rail and river. They merit close attention.

* * *

Let's Get Behind the Clean Promoters

THE men who have really built the mining industry of Canada to its present lusty dimensions view with considerable apprehension conditions at present existing in Toronto and other Canadian points. These conditions centre around certain aspects of the promotional end of the mining industry.

History has repeated itself. When, in 1928, The Financial Post devoted considerable space to the operations of certain non-member brokers, it was accused in some quarters of "breaking the mining market."

The results of the past few years have shown how false an accusation this was. Largely as a result of the 1929 articles, a housecleaning took place in Canadian mining promotion, and stock exchanges, governments, and legitimate promoters wielded the broom. The depression of 1929-1934 was incidental to this housecleaning operation, and could not be blamed, by any intelligent person, on the fact that Canada was waging a vigorous campaign against the crooked promoter who was robbing the public.

* * *

WHAT was the result of this campaign?

When the fresh sap of prosperity began to flow through market channels, the Canadian securities situation was in a healthy position to take advantage of it. In no industry was this more true than in the case of mining. Mining in Canada today ranks as one of the Dominion's great industries, from no matter what angle the industry is viewed.

Its very prosperity has enticed back again shysters, share pushers, and kindred souls. These men will have to learn that the sincere element in the Canadian mining picture, those who have the welfare of the industry at heart, have not laid down the broom. The Financial Post has ample evidence to show that they have not. The true mine makers of Canada, be they brokers, promoters, engineers, practical mining men or newspapermen, today appreciate, more than ever before, that nothing will "break the mining market" so precipitously, or so disastrously, as the continued presence in Canada of the share-pusher type.

The men who are making Canada's mining industry the great wealth creator it is today are being hindered in their effort by the crooks who have climbed on the bandwagon.

The best way to help the men who are making mining is to get rid of the shysters.

* * *

Western Finance An Urgent Problem

ALTHOUGH the question of helping Manitoba and Saskatchewan out of their financial difficulties is one of great urgency, the Dominion Government has shown a woeful lack of leadership up to date.

When Premiers John Bracken and W. J. Patterson went to Ottawa recently, it was felt that a serious attempt was being made to solve the problem. But news emanating from Ottawa indicated that the western premiers did not receive a very sympathetic hearing.

* * *

IT IS known that the Dominion Cabinet is divided in opinion as to what should be done. One section feels that Federal credit has been entirely divorced from that of the provinces and that nothing should be done to tie them together again. The other group feels that the mat-

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Expert Quits, Crash Nearer For Aberhart

Government Just Groping, Says Hargrave in Exit

CRISIS AT HAND

From Our Own Correspondent

EDMONTON.—The sudden withdrawal of John Hargrave, British Social Credit adviser, from Edmonton, with a parting denunciation of the Social Credit Government, punctured recent rosy hopes of Aberhart disciples that at the eleventh hour a means had been found to proceed with a Social Credit system for Alberta, and fulfill election promises.

Hargrave issued a statement to coincide with his departure, in which he indicated that the Aberhart Social Credit policies were hopeless. With a session of the Alberta Legislature a month away, and the Aberhart 18-month deadline due March 3, it is clear all prospect has vanished of achieving the promised Aberhart economic system.

Fires Hot Shot

Hargrave in a prepared statement made public after he left said:

"I still feel the first Social Credit Government in the world is not yet publicly committed to the principles of Social Credit. I still feel that it lacks technical knowledge and that, as a consequence, it has, over the past 16 months, groped its way like a man stumbling along on a pitch-black night."

The position of Mr. Aberhart, who himself invited Hargrave's advice, is critical, in view of the coming caucus of Social Credit members, now facing angry constituents without basis of argument why faith should be continued in Mr. Aberhart. Hargrave had renewed hopes for Social Credit, and his departure left them flat.

To add to Premier Aberhart's troubles comes the report Hon. Charles Cockroft, Provincial Treasurer, is about to resign. Although it has not definitely been submitted, the report is widely accepted here.

Will He Resign?

Immediate speculation centres on whether Mr. Aberhart might resign. The Government is now left completely at sea in regard to Social Credit policies, and the caucus will face the decision whether a semblance of Social Credit planning can be carried on or dropped entirely. Aberhart struck back at Hargrave. He declared his faith in Social Credit remained unshaken, and "I fear this is but another attempt by some unknown person or persons, through the instrumentality of some undisclosed medium, to make our task all the more difficult."

While Mr. Aberhart was little more than a "front" for a proposed radical programme, Hargrave's departure made it unlikely those who had been working closely with him would dare to continue plans along the Hargrave ideas. The fate of the Hargrave Plan is not clear.

For the time being, the radicals' views have been dominant in the Cabinet, and the influence of Hargrave was to discredit completely Mr. Aberhart's past efforts at planning a new system.

The Highlights

High points of the present situation are:

1. Practically all Social Credit planning to date has been scrapped. The grandiose Alberta Credit House scheme, brain-child of Mr. Aberhart, has been cast aside. Aberhart covenants will never be heard of again, if the public will permit them to be forgotten.

2. Dividends will not be paid in the 18 months, as promised by Aberhart, and have been moved so far into the future in new plans as to be invisible. This means the idea of dividends will be permitted to die as quick a death as possible.

3. Mr. Aberhart's chief rôle in the immediate future will be to convince the public more time should be given the Government, and to retain as much public support for Social Credit as possible, in order to offset the big "let down" foreseen in the near future when his 18 months elapses without dividends.

4. While Mr. Aberhart is going through the motions again of the campaign which launched his political career in 1935, a group of planners are laying plans that will keep the political pot boiling for some time. Nature of the new legislation is still largely undisclosed.

5. A new programme, known generally as the Hargrave Plan, is reputedly a matter of economic and monetary adjustments; but its authors plainly have an eye on political effects, in view of the Aberhart 18-month deadline arriving with nothing done for Social Credit.

Falls in With Radicals

Recent activity in Alberta Government circles in regard to new plans for Social Credit, after weeks of unashamed stalling, fall into significant relationships when judged against the fact that the Government is approaching its 18-month deadline without a particle of result to show for efforts to keep Aberhart election promises in regard to Social Credit. Mr. Aberhart has survived left wing insurgency, it is clear, by falling in with the left wing.

The Aberhart-inspired scheme for a credit banking system with new and probably unworkable features, the Alberta Credit House Act, went to the scrap heap with the ar-

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WALKS OUT

John Gordon Hargrave (above) latest to split with Premier Aberhart of Alberta over Social Credit policies. Described as the founder and leader of the British "Green Shirts," a Social Credit political party, he arrived unheralded in Edmonton several weeks ago, attended a Social Credit caucus as technical adviser to the planning committee, drew up a programme which apparently was accepted and this week launched an attack on the Government and started for home.

Hargrave is 42 years of age, born in Sussex. He comes from Quaker stock, went to Hawkshead, Eng., school, which Wordsworth, the poet, attended. He was a stretcher-sergeant in an Irish division in the Dardanelles campaign in 1915, was invalided out in 1916. After the war he was art manager for the C. Arthur Pearson, Ltd., London publishing house, for several years.

Gen. Steel Wares To Refund Bonds

From Our Own Correspondent

MONTREAL. — Directors of General Steel Wares have approved plans for refunding the company's first mortgage bonds. Details of the proposed new financing are not yet available.

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1936 Income Of Shawinigan At 5-Yr. High

Better Conditions in Area Contribute to Larger Earnings

HEAVY WRITE-OFFS

From Our Own Correspondent

MONTREAL.—Shawinigan Water and Power Co.'s financial statement for 1936, it is understood, will show a larger gross revenue than for any year since 1930, but the net profit applicable to the common stock will be somewhat lower than in 1935 when $1.17 a share was reported.

Interim statements issued by the company have shown a consistent increase in operating revenues up to the end of September. The trend remained unchanged during the balance of the year and expectations are that the statement, which will make its appearance some time next week, will show an income from all sources of around $14 millions. In 1935 it was just under $13.1 millions.

Expect Heavier Charges

The greater volume of business as reflected in income was accompanied by an increase in expenses. Operating charges have been heavier during the past year. So have water storage rentals and taxes and insurance. The amount spent on purchased power also increased.

The profit and loss account for 1936 will likely show heavier write-offs for depreciation, discount on financing, while the reserve for exchange equalization, instituted in 1935, will be further augmented.

Lower Share Profits

These heavier write-offs limit the amount available for dividends, and as far as can be learned, earnings will not exceed $1.05 per share, contrary to reports that substantially more would be shown than in 1935, when the company officially reported $1.17 a share.

The past year has been an exceptionally good one for Shawinigan. Industrial activity in its territory, particularly in the newsprint, asbestos and the chemical industries, were more active than at any time in several years past. As a result the demand for energy reached a new peak.

Chemicals Do Better

Indications are that Shawinigan Chemicals, a wholly owned subsidiary, had a better year. This company has been steadily broadening its manufacturing activities by adding new products both for domestic and export sale.

Changes in Debt

Important changes were made in connection with Shawinigan's funded debt last year, with the object of ridding the company of the liability of paying principal and interest in more than one market. A new 4% first mortgage bond, series F, was created to the extent of about $30 millions.

At present the company has outstanding no bonds with a higher coupon rate than 4½%.

Inasmuch as the company did not carry out any major expenditures on capital account during the past year, the 1936 statement is expected to show an improvement in liquid position.

Rogers-Majestic Earnings Approximately 60c a Share

D. G. MacKenzie, vice-president and general manager, announces the earnings of Rogers-Majestic Corp. for the first nine months of the fiscal year ending March 31 next, after depreciation and all other charges, to be approximately 60 cents a share on the 215,000 combined class A and B shares.

As a result of the nine months operations, the profit and loss deficit, which was $111,045 at March 31, 1936, has been converted into a small surplus, but no dividend is anticipated.

Aluminum Co. of Canada Opens Up Fourth Furnace

From Our Own Correspondent

MONTREAL.—Aluminum Co. of Canada is increasing production at its smelter at Arvida, Que., by placing a fourth furnace building in operation.

Smooth Security Salesman Operating Under License Faced With Police Record

Permit to Sell Mining Stock Cancelled Once, Then Reissued

PREYS ON WOMEN

Mr. X is in the spotlight this week.

Mr. X, who is licensed as a security salesman for the purpose of selling mining stocks and therefore given, by necessity, the protection of anonymity in this article, entered Canada in Oct., 1933, in company with a woman whom he claimed was his wife. If she was, it was his third. He came to Toronto, and asked for a salesman's license, giving necessary recommendations. These latter being favorable, he was granted a license. Shortly afterward, he sought to register as a broker. Again his references were satisfactory, and he was granted one.

When Mr. X came into the country in Oct., 1933, he was virtually penniless. By the following May, he had 126 salesmen working for him, including a smooth-tongued radio promoter. His methods and successs excited the suspicion of the Securities Commission of the province of Ontario with the result that his books were seized. It was found that Mr. X was a principal both of the mining company whose stock he was seeking to sell, and of the company which was selling it. It was found further that at the very time when he was talking about his property as a producing mine, a sheriff's notice was posted on the property, offering it for sale, with no takers. It was also found that less than 15% of the money raised from the public by the broker company went into the treasury of the mining company, and there was no evidence that all of the 15% went toward development of the property. Again, it was found that those who had recommended Mr. X for his license, knew little about him, but had recommended him as a friendly gesture toward a new Canadian who was "trying to make a living."

Wanted in England

Finally it was found that there was a warrant for his arrest in England, and that he had had considerable legal trouble in Australia, but had managed to avoid conviction. The English suit did not involve a large enough sum to warrant paying his deportation expenses.

Because of this last fact, the Immigration Dept. was unable to deport him, but the Securities Commission, as it was then constituted, promptly cancelled Mr. X's license.

As might be expected, after these disclosures, Mr. X lay low for a year or so.

Last year he was again licensed. He is still licensed, and, The Financial Post is reliably informed, is now planning to operate under the name of a security company from Toronto.

It is felt by reputable mining men, that this Mr. X has no place in the Canadian mining picture. It is felt that he should never have been reinstated with a license, in view of his past record.

"You Look Like Mother"

Unless his license is permanently cancelled, it is fully expected by those who are acquainted with his method of operation that shortly Mr. X will pick up some old abandoned property, give it a new name, and start selling stock via a company of which Mr. X will be

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Globe and Mail Attacks Mining Industry's Effort To Force Out Gypsters

Recalling the staunch support which the Toronto Globe in 1929 gave to The Financial Post's efforts at keeping the swindler out of mining, Canada's mining men and mining brokers were this week amazed when The Globe and Mail launched a bitter attack upon The Financial Post for supporting them in their effort to clean the crooks out of mining promotion.

The Post's articles, which have attracted wide attention, and have received the commendation of dozens of mining leaders and stock exchange members, are branded by the Globe and Mail "ghoulish," "sensational," and "a mere string of pharisaical vaporings."

Further on, with obvious reluctance, the article states: "Perhaps some of the points made in The Financial Post's articles may be conceded as based upon fact."

Focusing Blind Eye

As a matter of fact, leaders of Canadian mining, who are not addicted to focusing their blind eye on conditions today, have been most congratulatory and appreciative of The Post's support of their effort to clean out the crooks who are doing the industry harm. The Financial Post, in devoting space to the operations of these crooks, was merely giving expression to the feelings of the leaders in the mining industry.

The Globe and Mail, it is feared in the industry, can no longer be counted on to give the valuable assistance in protecting honest mining finance which its predecessor, The Globe, gave to such efforts.

In attacking The Post's stand, The Globe and Mail states: "There is not the slightest question that, law or no laws, the unscrupulous share-pusher will be with us just so long as the mining industry offers great speculative opportunity."

The Financial Post believes that the unscrupulous share-pushers will be with us just so long as newspapers like the Globe and Mail fail to combat them.

It is argued by the present Ontario Securities Commission that it is powerless to stop the crooks, who admittedly are operating in Canada, because of the fact that it has no evidence of fraud against them.

This attitude is, as has been pointed out frequently by The Post, in sharp contrast to the attitude of the Commission during the early days of John M. Godfrey's régime as Security Frauds Commissioner of the key province of Ontario, when The Post gave him its most wholehearted support for his courageous work.

No Red Tape Then

Speaking at the Canadian Club on March 18, 1935, Mr. Godfrey stated, in regard to the Securities Act:

"It is flexible, and constitutional difficulties, so far as the Dominion companies were concerned, were gone around by putting in the Commissioner's hands the power of licensing salesmen. security issuers and brokers. BY THAT POWER YOU CAN PRACTICALLY CONTROL THE SITUATION. You can administer the act either as a Fraud Act, or as a Blue Sky Act. I have chosen to administer it as a Blue Sky Act.

"The powers which it confers on the commissioner are these: HE CAN SAY WHO SHALL OR SHALL NOT SELL SECURITIES."

There was an appeal from the Commission's rulings Mr. Godfrey continued:

"It is an appeal to public opinion, and that is what controls the administration of this department."

Apparently the Securities Commission has now reversed this policy. Ontario no longer has a Blue Sky Law but a Fraud Law.

Post Gave Godfrey Credit

The article in the Globe and Mail makes much of Mr. Godfrey's earlier achievements in cleaning up the promotional situation existing a year or so ago. No paper gave Mr. Godfrey more credit for these achievements than did The Financial Post. In special articles the greatest publicity was given to these actions.

To anyone acquainted with the operations in Toronto and other Ontario points, of these share-pushers; to anyone acquainted with the men who are selling stock by high pressure methods; to anyone acquainted with the records of these men, the absurdity of closing one's eyes to conditions will be apparent.

The Financial Post will continue to relate factual cases of known swindlers who are capitalizing on the present mining boom to foist their wares on the unguarded. In publishing this factual data, The Post believes that it can help reduce the number of the unguarded, and make it plain once and for all that mining is now a legitimate industry, and not dependent on the services of crooked promoters.

Foreign Branch Closed

MONTREAL. — Royal Bank of Canada has closed its Costa Rican branch as a result of the Republic's new banking regulations, which would restrict the bank's activities to the point where it would not be worth while keeping the branch open.

Quebec Saguenay Railway Seeks Charter Extension

From Our Own Correspondent

MONTREAL.—Quebec, Saguenay and Chibougamau Co. will apply to the Quebec Legislature for extension of the delay in constructing its line.

It will be recalled that a short time ago it was reported that the Canadian Pacific Railway had acquired a substantial or controlling interest in this company, for the purpose of building a line into the Chibougamau area. A previous effort to do this was blocked by the Canadian National Railways.

Opens Larder Lake Branch

The Imperial Bank has opened a branch at Larder Lake, Ont., under the management of W. A. McTavish. In making the announcement, it is stated that developments suggest that Larder Lake will become an important mining camp.

Baxter's Article Changes His View

Writing to a Toronto friend, one of the executive editors of a leading New York daily newspaper says:

"Thank you very much for sending me a copy of The Financial Post with the article by Beverley Baxter, M.P. I have read it with much interest and so have other news men in this office, particularly two who were born in London.

"Mr. Baxter's article changes my mind about the abdication of King Edward."

Smelters Working At Chibougamau

Winter Road Completed—Bearish Rumors Still Abroad

Smelter's continued silence regarding development results at Consolidated Chibougamau Goldfields property is apparently still allowing market operators to play ducks and drakes with the stock, by means of street gossip and rumors.

One of the most patent of these was the report reaching Toronto last week to the effect that Smelters had sought an extension of time for exercising its option on Block "C" from Jan. 1, 1937 to Jan. 1, 1938. The report was actually published in the daily press.

The facts, of course, are that this extension was granted in Oct., 1935, and is hardly news.

The report, as published also stated that the extension covered 600.000 shares to be purchased at $1 per share. In reality, only 315,000 shares of Consolidated Chibougamau remain to be taken up by Smelters, which has been, despite its vague development reports, regularly taking up its option.

In the meantime, word from the field is to the effect that the road into Chibougamau from St. Felicien has been completed, and large amounts of freight, chiefly for the Consolidated Chibougamau property, are being moved in. Some of this freight consists of heavy machinery, such as is used for shaft sinking.

Britain Warns Canada to Take Settlers Soon

Low Birthrate May Halt Emigration, Macdonald Predicts

ACT NOW OR NEVER

BY CABLE

From Our Own Correspondent

LONDON, Eng. — Canada and other Dominions must move soon if they want British settlers or if they expect to take advantage of Great Britain's offer to co-operate in immigration plans.

This was the interpretation taken from the speech this week in the House of Commons of Rt. Hon. Malcolm Macdonald, Secretary for the Dominions, sponsoring the Empire Settlement Bill.

There was nothing either in the bill or in Mr. Macdonald's explanation of its principles to indicate an immediate change in the British policy of aiding emigration from the United Kingdom but reference by the Minister to the population trend in the British Isles was taken as a warning that such a policy might not be continued indefinitely.

Birthrate Falling Off

Confronted for years with the problem of overpopulation the people of Great Britain are, today, facing a new situation which, according to Sir William Beveridge, may create a panic within a few years.

Britain's birthrate, on the downward trend ever since the Great War, is due, the famous British economist believes, to take a sudden plunge at the end of the next four years.

The present population of the British Isles stands at about 45 millions and is not increasing in spite of the restricted immigration policies adopted by the Dominions. If the trend continues it is estimated that by 1970 this figure may be reduced to 25 millions.

Mr. Macdonald's intimation that the Dominions must either act now or forego the hope of increasing their population by emigration from Britain indicates that the British Government is acutely aware of this situation.

The Government, Mr. Macdonald said, was prepared at the present time to finance movement of settlers to the Dominions to the extent of 75% of the cost.

Britain, he said, must accept a fair share of responsibility for the misfits which had hampered previous Empire settlement programmes. It was realized today that mechanization of agriculture which had made even greater headway in the newer countries of the world had made increasingly difficult any plan restricted to farm settlement.

For this reason it was prepared to extend equal assistance under its new plan to industrial workers who wished to carry on their trades in Canada, New Zealand, Australia, South Africa or other parts of the Empire.

Industrial Expansion

The British Government, he said, was fully aware of the tremendous strides in industrialization made by the Dominions and it was earnestly hoped that they would continue to expand rapidly in this direction.

He pointed out, on the other hand, that, as Britain's workshops and factories became busier, it was increasingly difficult to spare industrial workers for emigration. The problem must be to try to balance the population needs of the United Kingdom and the Dominions.

Talk Coalition For Manitoba

From Our Own Correspondent

WINNIPEG.—A strong movement to bring about immediate formation of a Coalition Government for Manitoba is now in progress, and prominent Liberals and Conservatives are trying to effect a combination between their respective leaders.

Premier Bracken, outnumbered by the combined opposition parties, at one time hoped to be able to carry on, with some assistance from the Social Credit group in the House.

Now, there are reports, the Premier's friends have suggested that he is willing to retire if it will pave the way for a strong government in the province. On the other hand the Conservatives in the House are less insistent than they formerly were as to the impossibility of working with Mr. Bracken.

It is understood Ottawa insists on some assurance of stability in provincial affairs before it will give the province financial assistance.

Highlights

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Selling Gold Stocks

Investment trusts sell holdings of stock in established Canadian gold mines and buying base metals. Page 8

A Democratic King

Member of The Financial Post staff tells of personal acquaintance with King George VI during war days. Page 24

Roosevelt's Job

Problems of vital interest to Canadians face U. S. president as he enters second term. Page 13

Justice for C. P. R.

Saskatchewan professor defends record of C. P. R. and asks even break for private road. Page 17

Rothermere Sees Newsprint Shortage

Price Must be Increased, Producer and Publisher Declares in Cable to Canada—Strong Policy Urged

From Our Own Correspondent

MONTREAL.—Lord Rothermere, British newspaper and newsprint peer, cabled this week to the heads of the newsprint industry in Canada telling them there is now no room for weak kneed negotiations for supplies to publishers or others except at prices much beyond those prevailing at the present moment.

Further he said that, barring a war, pulp and newsprint industries will within two years be confronting a shortage that may easily become permanent.

Lord Rothermere sent a copy of his cable to The Financial Post.

Text of Cable

The full text of his cabled message follows:

"Hope your confrères fully recognize that the improvement in pulp and paper is only at the initial stage.

"From sources of information at my disposal, it is a certainty, barring a war, pulp and newsprint industries will, within two years, be confronting a shortage that may easily become permanent. There is now no room for weak kneed negotiations for supplies to publishers or others except at prices much beyond those prevailing at the present moment.

"When in Canada last September I urged the industry to take a wide and comprehensive view of the situation. My judgment then has proved 100% accurate.

"The newsprint industry in particular is on the threshold of a prosperity far beyond anything it has experienced before."

Listen to Views

Lord Rothermere's views on the newsprint situation are followed with wide interest, particularly as his English newspapers are very large consumers. In addition he is heavily interested financially in Anglo-Newfoundland Development Co., and Anglo-Canadian Pulp and Paper, two of the larger newsprint producers in Canada and Newfoundland, as well as being indirectly interested (at least he was last September) in the securities of Consolidated Paper Corp. and Abitibi Power and Paper.

Nothing to Say

Canadian newsprint manufacturers to whom this cable was sent will not speak for publication. Those asked for comment agree the price of newsprint is too low to permit of profitable operations and that a higher price would be welcomed.

The price situation is rapidly coming to a head and producers do not want to commit themselves to an expression of opinion at this time, as it may effect negotiations which are expected to open up about mid-year.

Contracts Stumbling Blocks

Privately they think their product is worth a good deal more than is paid for it at present, but the possibilities of advancing the price to a level which Lord Rothermere would consider satisfactory, are not so easy to assess.

The interlocking of contracts whereby any mill controlling 5% of the available tonnage, can set the price for the rest of the industry has already proved a serious stumbling block to negotiations for a higher price.

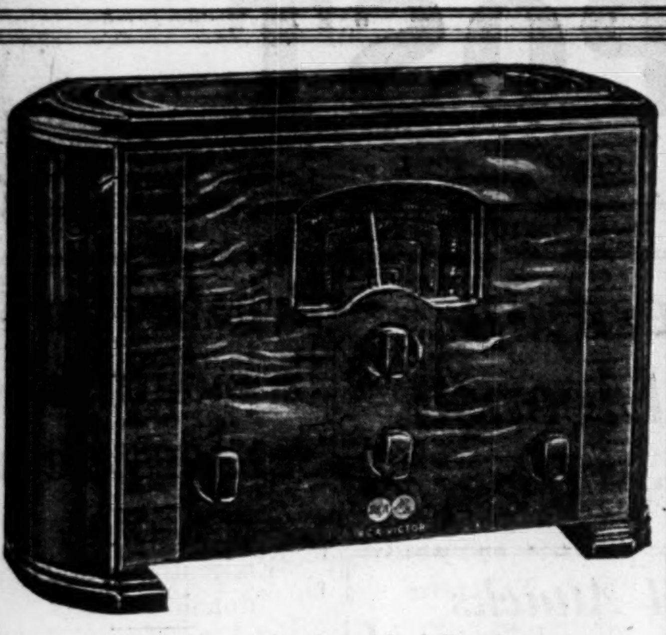
Lord Rothermere's pronounced optimism on the present outlook is predicated on two recent developments, which, in turn, substantiate the stand he took last summer.

Trouble in England

Scandinavian producers have taken advantage of the sharp rise in newsprint consumption in England, to jack up the price of groundwood pulp by £1 10s. in the last three months. This has seriously added to the costs of British newsprint manufacturers who have contracted to make deliveries for some time ahead at fixed prices. Much as they dislike paying the higher price they are not in a position to fight back. They must have the pulp.

Bowaters Paper Mills, which, at one time, almost secured control of Price Bros. & Co., with others is fighting back. They have secured a

(Continued on page 2 col. 6)



- For the office—the den—the billiard room—the bedroom—ANYWHERE

VICTOR'S "Personal" Radio

Blonde Maple—Red, Ivory, Green—Walnut

As dashing and truly masculine a radio as you could ask for - - beautifully finished with attractive grill over the dynamic speaker set in the back of the cabinet itself, so that no matter where you place it - - on desk, mantel or night table - - it looks luxurious.

Here is a very portable 5-tube radio with plenty of pep and power for your favourite Canadian and American programmes, as well as police, airplane and 49-metre short wave reception. A special feature is the 25-foot temporary aerial for use where an outside aerial is not easily available.

On EATON'S Budget Plan
NO DOWN PAYMENT . . . 10 monthly payments of $4.88 (Toronto Delivery Area). There will not be anything added to this price for Budget Plan terms.

Budget Plan Price $48.75 EACH

Your present radio will be accepted as part payment on the purchase of a new Victor.

The T. EATON CO.—Fifth Floor—Yonge Street.
Also at EATON'S-College Street.

THE T. EATON Co LIMITED

Rogers Majestic Class A

A low-priced common stock with interesting possibilities.

Analysis upon request

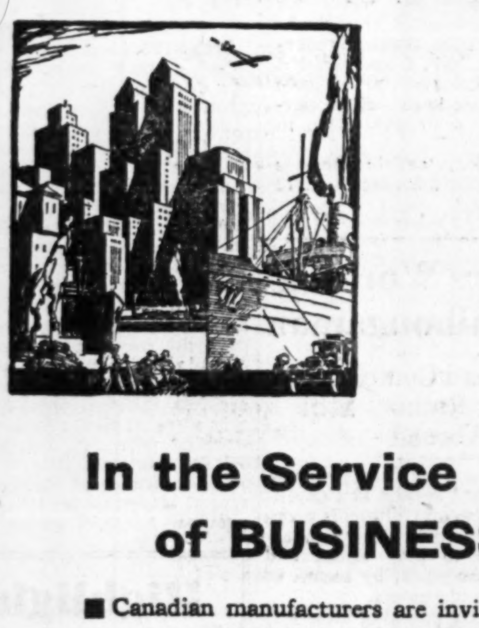
DICKSON, JOLLIFFE & COMPANY
Members
The Toronto Stock Exchange
Canadian Commodity Exchange Inc.
Adelaide 7451-2-3-4
80 KING STREET WEST TORONTO

MOOSHLA

With high assays just reported from the third level, this company's prospects, considering the high grade already developed on the first and second levels, appear to be outstanding.

We invite your inquiry and shall be glad to supply full information upon request.

DRAPER DOBIE & CO.
Members The Toronto Stock Exchange
ADelaide 9171
330 BAY ST. TORONTO



In the Service of BUSINESS

■ Canadian manufacturers are invited to discuss with this bank problems of trade, exchange, foreign credits and all financial matters relating to both domestic and foreign business. Branches of The Royal Bank throughout Canada and in thirty other countries, offer a complete banking service.

THE ROYAL BANK OF CANADA

OVER 700 BRANCHES IN CANADA AND 30 OTHER COUNTRIES

The Nation's Business

(Continued from page 1)

ter is of such urgency that it requires the immediate attention of the Government.

It is true that Federal credit has been to some extent disassociated from that of the provinces. The Alberta default had little effect upon the credit of the Dominion Government. If there are further provincial defaults or arbitrary cuts in bond interest, the Dominion's credit is bound to suffer.

A year ago the Dominion Government was willing to carry out a refunding of western provincial debts under a loan council scheme. The Financial Post sees no reason why it should not be still willing to do so, especially since both Saskatchewan and Manitoba are willing to submit to a reasonable amount of financial control.

• • •

RE-ESTABLISHMENT of the Prairie Provinces on a stable financial basis, however, would have far-reaching benefits for the entire country. Not only would Canada's credit be improved in world markets, but continuance of economic recovery, which is already well under way in the East and British Columbia, would be assured. Revival of the West's former purchasing power is essential to the economic progress of the rest of the Dominion.

The Dominion Government is right in resisting many of the demands of provincial governments for financial assistance and wider taxation powers. The needs of Saskatchewan and Manitoba, however, are urgent. They are the pleas of two Governments which are faced with financial difficulties which they themselves cannot solve. Assistance by the Dominion would be justified in order to meet the emergency. Continued delay in dealing with the problem is dangerous not only to the provinces involved but to the whole of the Dominion.

A broad view of the matter was taken by Thomas Bradshaw, president of the North American Life, when he said at his company's annual meeting:

> "The three Prairie Provinces, in years gone by, have enjoyed as fine a reputation and as high a credit as any other section of Canada. It is therefore essential, whatever plan be adopted, that it carry good faith and conviction of justice and fairness, and especially that it preserve the good names and credit of the respective provinces. We must all endeavor to prevent the situation now existing in one of those western provinces from spreading."

• • •

Mr. Bradshaw For "Modernization"

MR. BRADSHAW was on sound ground when he advocated that 1937 should be a "clean-up year."

During the past two years, Canadian business has experienced marked recovery, but as Mr. Bradshaw points out there are certain problems which must be solved, and solved immediately, if we desire to consolidate the present level of business gain and lay a sound basis for future expansion.

Likening the financial and economic structure of Canada to a house, Mr. Bradshaw had the following to say:

> "The wear and tear occasioned by the stress and strain of five years of depression left our house in a bad state of repair. A new coat of paint is not enough. It is essential that it should be cleaned up, renovated, remodelled and modernized. So let us make 1937 a clean-up year. Let us get rid of some of the debris that has accumulated, renew the foundation and the walls, so that by the end of 1937 we may have a structurally sound edifice for our architects to remodel and modernize."

The financial problems of the West were listed by Mr. Bradshaw among the eight "structural weaknesses" demanding attention in this "clean-up year."

• • •

Ontario Violates Confederation

THE law courts—in which the citizen seeks justice—are bulwarks of freedom in every democratic nation. In Canada there is a tendency to manacle the courts. Alberta passed a law a year ago to make cabinet ministers immune from judicial tests of their actions.

In Ontario the courts have found that the Government's repudiation of contracts of the provincially-owned Hydro-Electric Commission was not within the powers of the Legislature and that Quebec power companies are therefore entitled to damages for breach of contract. The repudiating Government, therefore, proposes to make the Hydro Commission immune from judgment and to exercise its trusteeship over the judicial system to prevent officers of the Crown from collecting from the Hydro under decisions of the courts.

Ordinarily governments cannot be sued without their specific consent and Crown property is above the law. But this power cannot be abused with impunity. King John tried it and was forced to sign Magna Charta more than 700 years ago, giving general access to the courts. Abuse of the powers of the British Crown led to the American revolution. And always the question arises: Ought a business enterprise operated by a province and its municipalities to be placed above the courts?

• • •

THE important feature of the Government's proposals to put the Hydro beyond the law is that it is an effort to enforce within the Province of Ontario a repudiation which has been found illegal under the British North America Act. It is a step that effects a partial secession of the province from the Dominion. In effect, the Ontario Government says in its new legislation that the constitution which binds the whole Dominion cannot be enforced upon it, which is not dissimilar to a declaration of independence. In this respect it is on a level with the unconstitutional issuance of provincial currency in Alberta. The Dominion Government should disallow the Ontario secessionist legislation just as it should disallow similar legislation in other provinces.

The two men most directly responsible for Ontario's attempt to repudiate not only the Hydro contracts but the Dominion of Canada are the radical hydro commissioner and attorney-general, Hon. Arthur W. Roebuck, and the premier, Hon. Mitchell F. Hepburn. Mr. Roebuck originated the repudiation and is pressing the new legislation which defies the constitution. Mr. Hepburn sponsored the original repudiation and condones the effort to put it above the laws of the nation.

• • •

MEMBERS of the Ontario Legislature should understand that they are being asked to violate the constitution they have sworn to uphold. Mr. Hepburn should understand that the opportunity is his, and the responsibility his, to correct a greater wrong than the original repudiation.

Finally, the Dominion Government should understand that Ontario is acting, perhaps in ignorance, to break down the basis of Confederation; and that, unless Mr. Hepburn sees his error and corrects it, the legislation which repudiates the law of the nation must be disallowed.

• • •

Insurance Stands Ready To Serve

REFERRING to the fact that his association is now responsible for the safe and sound administration of employee pension schemes guaranteeing yearly pensions to employees of almost $2 millions annually, Victor R. Smith, general manager of the Confederation Life Association, made a suggestion this week that should be given wide circulation.

Speaking at his company's 65th annual meeting he said:

> "Bearing in mind that this insurance is done soundly and at low expense, we may be permitted to suggest to the Government of Canada that the facilities of the insurance companies might well be made use of as they are in Great Britain to the advantage of the Government when considering various forms of pension benefits."

Mr. Smith referred to a similar plan made by Miss Charlotte Whitton in her special articles in The Financial Post last year, in which she urged that—

> "It would be folly for Canada to embark upon plans for insurance against the costs of ill-health and dependent old age without the benefit of the experience of these great private insurance groups who today hold the savings of 3,500,000 of the population."

The next decade will see more advance in social legislation on this continent than would have been dreamed possible a few years ago. If we are to build this structure soundly for the future, Governments and established insurance institutions must pool their organization and resources toward the common goal of greater security for the individual and for the country as a whole.

High Grade Salesman Wanted By Advertising Agency

Thorough knowledge of Advertising Agency practice desirable but not absolutely essential. Salary and commission basis. When applying give full particulars of experience and present connections (in confidence) to

Box 13, Financial Post, Toronto

Thos. Lipton Ltd. Plans Expansion in Canada

Thos. J. Lipton Ltd., Toronto, is planning an extensive advertising and sales promotion campaign covering the next three years, it is understood.

No change is contemplated in either management or policy in Canada, according to A. G. Johnson, Thos. J. Lipton Limited, in connection with the possible effects of the Thomas J. Lipton Estate having been bought by Lipton's Limited of England.

The new board in England has thoroughly reviewed Lipton's progress in Canada in the past few years, it is stated, and plans have been rushed to provide for immediate expansion. A new warehouse has already been purchased, which will give double the floor space for the Toronto plant. The Canadian company is spending in the neighborhood of $100,000 in new blending and packaging equipment.

CHIEF INSPECTOR

E. Holmes, Toronto, who has been appointed chief inspector of the Canadian Bank of Commerce, succeeding S. M. Wedd, recently promoted to assistant general manager. Mr. Holmes has had wide experience in eastern Canada and Newfoundland. He was appointed supervisor of the bank's foreign department in 1931.

Smooth Security Salesman Faced With Police Record

(Continued from page 1)

the moving spirit. He will also, of course, have a place on the board of the mining company. He is not, like Canada's legitimate mining promoters, raising money for Canada's north, but for Mr. X.

The Case of Mr. Y

There are others in Ontario cities. One man in particular, who shall be known as Mr. Y, is guiding genius of a Toronto stock selling firm, although his name will not show on the company records.

If you are an elderly lady, you will be able to recognize Mr. Y if he calls, because he will start his sales talk by remarking on the striking resemblance which you bear to his mother.

The Financial Post has ascertained that Mr. Y's firm, in signing contracts, option agreements, or anything else which might get them into trouble use a form of signature which is unique. Neither Mr. Y's firm, nor the name of any responsible official appears on the document. Where the signature is supposed to be, appears the name of some other investment company, whose connection with Mr. Y's firm is vague and shadowy. Thus, in case of trouble, it would be impossible to collect from either Mr. Y, as an individual, or any person, as an individual, nor would it be possible to hold even Mr. Y's firm to the contract.

False Advertising

These cases are typical of the sort of thing the legitimate section of the mining industry is fighting. If no other clue were available, the presence of undesirable promotion methods would be evident to the public through the type of advertising appearing in some of the papers. One such glaring case was that of property in the Porcupine eld. In the advertisement offering the stock was a map, drawn "from sources believed to be reliable, but individual ownership and place location not guaranteed." The map shows the prospect, whose stock is being sold, as located only a few field. In the advertisement offering yards from a property labelled "Hollinger," and closer still to a property labelled "O'Brien." The "Hollinger" property is not, as would certainly be thought by the casual observer, the producing property of Hollinger Consolidated, which is some miles away. It is a property held by Hollinger interests, and one a long way from the production stage. Similarly, the "O'Brien" property might be thought to refer to the O'Brien whose development has been one of the sensations of the past 12 months, but is a property held by the M. J. O'Brien interests of Ottawa.

This particular property is in a good field, and is probably a meritorious enough prospect. The point is that these merits alone should be sufficient to finance further development, without misleading the public, consciously or unconsciously.

Expert Quits, Crash Nearer For Aberhart

(Continued from page 1)

rival of John Hargrave, British politician.

As far as Mr. Aberhart is concerned, his economic and fiscal advice is being carefully sidetracked though without this seeming to be the case. It is frankly recognized by Alberta's new planners—and they include Maynard, Cross and Fallow among the cabinet ministers—that Aberhart's efforts at money reform in the 18 months he has had to fulfill his promises, have been fantastic and futile. Yet his political value to the Government is so great that the Government cannot expect to live long if Aberhart is put out.

Has Stooge Back Again

Already Mr. Aberhart has begun desperate efforts to retain popularity. He has returned to many of the campaign devices used so successfully 18 months ago, such as attacking money interests, vague "straw man" opponents, and the Federal Government. He has revived the old trick of using a "stooge" in his Sunday services to permit him to triumph over "orthodox economics," in the person of a bewhiskered individual in disguise whose "defense" of economics is of the level of a village idiot. Significantly there is a new reaction to these tactics, which now fool no one as they did in 1935.

Rothermere Sees Newsprint Shortage

(Continued from page 1)

six months option of 1,550 square miles of timber limits at Hamilton Inlet, Labrador.

Even if they exercise the option it will take at least a year and maybe longer before they can get any pulpwood out of the country. Consequently they are at the mercy of the Scandinavian pulp cartel for the time being.

U. S. Supply Weak

The situation in the United States is additional support for Lord Rothermere's stand. While there has not been an actual shortage of newsprint in that market, deliveries have been delayed despite the fact that the Canadian mills are getting out all the paper they possibly can.

American publishers have become extremely nervous over the possibilities of a shortage and a runaway market for newsprint. The American Newspaper Publishers Association recently sent out a letter to its members telling them not to get panicky and suggesting they arrange to spread deliveries over the year so as to eliminate the peak demands that normally occur during the winter months.

This has been of little encouragement to many of the publishers whose activities have been restricted by the irregularity of newsprint paper supplies.

Put Up United Front

As pointed out in The Financial Post earlier in the month some of the large American buyers would not be averse to entering into new contracts with the paper mills calling for a higher price during the balance of this year, if the rate were pegged on 1938 deliveries.

Conferences have been held in Montreal lately to discuss the feasibility of revising existing contracts if, as and when approached by any large newsprint buyers. While there is nothing official to go on, it is understood that the manufacturers have agreed to act as a body in entering into any new price arrangements.

Picture is Changing

Lord Rothermere startled the manufacturers and publishers at the end of last July by coming out for a price of $50 a ton net at the mill. The prevailing price was $41 a ton delivered at New York or Chicago, or around $34 to $35 a ton at the mill. His proposal was jeered at by American publishers through their association. The Canadian manufacturers, without exception, did not see how it was possible to secure such a price without a gradual build-up of the market.

Despite the rather lukewarm attitude shown to his suggestion at the time, events have since moved forward so rapidly that although a price of $50 a ton net at the mill still seems a long way off, it is not considered as far-fetched as was generally thought at the time it was first propounded.

Foreign Exchange

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par	Jan. 19	Jan. 20	Jan. 21	Jan. 22	Jan. 23	Jan. 25
U. S. Dollar.	High	1.00$\frac{1}{32}$	1.00$\frac{1}{16}$	1.00$\frac{1}{32}$	1.00$\frac{1}{32}$	1.00$\frac{1}{32}$	1.00$\frac{1}{16}$
	Low	1.00$\frac{1}{16}$	1.00$\frac{1}{16}$	1.00$\frac{1}{32}$	1.00$\frac{1}{16}$	1.00$\frac{1}{16}$	1.00$\frac{1}{16}$
1936	High	1.00$\frac{1}{32}$	1.00$\frac{1}{32}$	1.00$\frac{1}{32}$	1.00	1,00	1.00⅛
	Low	1.00	1.00	1.00	1.00	.99$\frac{31}{32}$	.99½
U. K. pound		4.91½	...	4.90¾	4.90¾	4.90¾	4.91¼
Australia		3.93¼	3.92½	3.92¾	3.92¾	3.92¾	3.93
Austria		.1876¾	.1876	.1876¾	.1876¼	.1876	.1876¼
Belgium		.1687½	.1687	.1685½	.1686¼	.1686	.1687¼
Brazil		.0618	.0615	.0620	.0620	.0620	.0620
Czechoslovakia		.0349½	.0349½	.0349½	.0349½	.0349¼	.0349¼
Denmark		.2195	.2193	.2192	.2198½	.2190¾	.2194¾
France		.0467¼	.0467	.0466¾	.0466¾	.0466¾	.0467¼
Germany		.4026¾	.4026	.4026¾	.4026¾	.4025½	.4025½
Greece		.0090	.0090	.0090	.0090	.0090	.0090
Holland		.5481	.5479	.5481	.5481⅛	.5479½	.5479½
Hungary		.1981¾	.1981	.1981¾	.1981¾	.1981¼	.1981¼
India		.3717½	.3715	.3716½	.3713½	.3715¼	.3716¼
Italy		.0526¾	.0526¾	.0526¾	.0526¾	.0526¾	.0526¾
Japan		.2870¾	.2867	.2866¾	.2862½	.2861¾	.2861¾
Jugoslavia		.0233¾	.0233¾	.0233¾	.0233¾	.0233¾	.0233¾
New Zealand		3.96¼	3.95¼	3.95¾	3.95¾	3.95¾	3.96
Norway		.2470¼	.2469	.2466¾	.2467¼	.2466	.2470
Poland		.1900	.1899	.1897	[illegible]	[illegible]	....
South Africa		4.90¼	4.88¾	4.89¼	4.89¾	4.89¾	4.90¼
Sweden		.2535¼	.2534	.2530¾	.2531¼	.2530	.2534½
Switzerland		.2298½	.2297	.2294	.2292¼	.2291¾	.2287½
Hong Kong		.3066¾	.3066	.3066¾	.3065¾	.3083	.3066

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Dominion—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Nelson, B.C.	Jan.	McDermid, Miller & McDermid	3½%	1957	75,000	*99¼	3.55%
Salaberry de Valleyfield	Jan.	Banque Canadienne Nationale	3½%	1937-51	50,000	100.46	....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Nova Scotia Light & Power	Jan.	Royal Securities Corp.	4%	1957	$7,000,000	99	4.07%
Sisters of Misericorde	Jan.	Comptoir National de Placement	4%	1946-57	400,000	....	....
Canadian National Railway	Jan.		2¼%	1944	15,500,000	99.125	2.39%
			3%	1953	20,000,000	99.50	3.04%
Viceroy Manufacturing	Jan.	Stewart, Scully Co.	3½%	1938-43	100,000	....	....
			4¾%	1952	200,000	100	4¾%
Stock Issues:							
Commander Mines	Jan.	Direct			300,000 shs.	15c	

*Offering price.

Nation-wide Organization...

SERVING CITY AND COUNTRY ALIKE

BANK OF MONTREAL
ESTABLISHED 1817
MODERN, EXPERIENCED BANKING SERVICE
... the outcome of 119 years' successful operation

OVER 500 BRANCHES FROM COAST TO COAST

British through and through

"CHURCH'S" British shoes reflect the pride in workmanship of the early London shoemakers whose motto was "*Leather and Skill*". Famous the world over for their quality, "CHURCH'S" shoes are British through and through. Available in Toronto only at SIMPSON'S, in The Store for Men's modern new Shoe Department. As illustrated, 14.50, others $13 and $14. "Church's" patent dress shoes for men, at $12. This famous maker's English spats at 1.95, 2.95 and $4.

Simpson's

"Select Comfortable Shoes in Comfort!"

Argentine Order To Fleet Aircraft

From Our Own Correspondent

MONTREAL. — Fleet Aircraft Corp. has been awarded an order for 20 training planes by the Argentine Government. According to J. S. Sanderson, general manager, the planes will cost approximately $100,000.

Blue Ribbon Corporation Limited

NOTICE is hereby given that a dividend of Fifty Cents (50c) per share on the preferred shares of the Company has been declared payable on and after February 1st, 1937, to shareholders of record on the 28th day of January, 1937.

DATED at Toronto this 25th day of January, 1937.

J. C. JAMIESON,
Secretary.

Tell Us Your Montreal Requirements

The Dominion Square Building—at Peel and Ste. Catherine Sts.—offers a multitude of features and services which should prove beneficial to your business operations. Modern, well-lighted suites, both large and small, according to your requirements, are available for your inspection. Modern garage accommodation right in the building.

Write or have local representative call today.
Full particulars gladly supplied upon request.

DOMINION SQUARE BUILDING

D. W. OGILVIE & CO. INC.
Rental Agents and Building Managers
Room 920 — Harbour 8201
MONTREAL

News of Investments - - Analyses

Price Bros. Offers Rights

Common Shareholders May Take Up Debentures at Discount

From Our Own Correspondent

MONTREAL. — Common shareholders of Price Bros. & Co. will be given the right to subscribe to the new second mortgage 4% convertible debentures, pending approval by the company's shareholders, says an official statement.

According to a resolution adopted by the directors, holders of common stock of record Jan. 23, 1937, will be given the right to subscribe for these debentures on and before March 15. The rights will be issued on the basis of $10 principal amount of debentures for each common share held, at a price of $98 for each $100 principal amount of debentures. Interest will accrue from March 1, 1937. The right to subscription will only be exercisable for not less than $100 principal amount of debentures. The rights will be transferable.

Call in Bonds

The trustee for the bondholders has sent out an official notice saying that all bondholders are required to surrender their bonds on and after Jan. 19. Against such surrender the bondholders will receive for each $100 principal amount of bonds surrendered, the sum of $141.30 made up as follows: $100 principal amount; $29.81 representing interest at 6% per annum from Feb. 1, 1932, to Jan. 19, 1937; $3.99 covering interest at 6% per annum on all interest which fell due during this period; and $7.50, representing the premium of 7½% on the principal amount.

Payment on the bonds will be made in Canadian funds, American dollars or English sterling, dependent upon whether the bonds are surrendered in London, New York, Montreal, Quebec or Toronto.

Aluminium Ltd. Will Sell Stock

Shareholders Consider Plan To Issue 50,000 Shares

From Our Own Correspondent

MONTREAL. — Shareholders of Aluminium Ltd. meet this week to vote on a proposal to issue and sell 50,000 additional shares no par value common stock.

Proceeds from sale of the stock, if authorized, will be used to finance in part redemption of the outstanding preferred stock, or its purchase for cancellation. The preferred carries a 6% cumulative dividend, on which arrears total nearly 29.25%, and is redeemable at 107½ and accrued dividends.

No Price Set

No particulars are available as to the price at which the additional common stock will be sold. The common has sold as high as 280 in 1929, and declined to a low of 8¾ in 1932. It is currently selling at approximately 100.

During 1935, Aluminium Ltd. earned the equivalent of $5.43 a share on the preferred stock, the first favorable showing since the $7.45 a share reported in 1930. A much better showing than made in 1935 is expected for 1936, the report on which comes out some time in March.

Holt, Renfrew Sells Building

Proceeds More Than Ample to Take Care of Bonded Debt

From Our Own Correspondent

MONTREAL.—Holt, Renfrew & Co.'s Montreal store and head office building has been sold to F. W. Woolworth & Co. Ltd., for $700,000.

In confirming sale of the building, A. J. Walker, vice-president and managing director of Holt, Renfrew, would not comment on whether or not his company plans on moving to a new location.

The sale of this property is of particular interest to the shareholders at this time, as the 6½% first mortgage bonds mature Aug. 1 next. At the end of Jan., 1936, there were $367,000 of these bonds outstanding. The issue is secured by a direct first mortgage on all the property of the company.

The proceeds of the sale of the Montreal property will provide the company with adequate funds to meet these bonds.

Mexican Decree Effect Not Known at Present

No information is available as to the probable effect on The Mexican Light and Power Co. of the presidential decree of the Mexican Government, limiting future concessions to operate electric power plants in Mexico to "semi-official organizations or consumers' co-operatives composed entirely of Mexicans."

Lacking sufficient information as to the details of the decree officials of the company refused to comment when approached by The Financial Post.

It is pointed out that the proposal is not new in its general aspects as the so-called six-year plan of the Mexican Government, published in 1934, foreshadowed some action of this sort. It had not, however, been generally anticipated that private companies already operating in the country would be barred from future expansion.

Montreal Stock Values Up Sharply at Year End

From Our Own Correspondent

MONTREAL. — Securities listed and traded on the Montreal Stock Exchange and the Montreal Curb Market had a total value of $8,699 millions at the end of 1936. This represents a gain of $485 millions over Nov. 30 and an increase of $1,531 millions over the total reported at the end of 1935.

Eight out of the nine classifications registered advances during the past month, Government bonds remaining unchanged.

Power Industry Breaks All Records During 1936

From Our Own Correspondent

MONTREAL. — Central electric stations in Canada broke all existing records last year with a production of 25,493 million kw.h. This was 8.9% above the 1935 output and 61% over the 1932 output.

All sections shared in the gain, as shown in the following table:

(Thousands of Kilowatt Hours)

	1936	1935
Maritimes	840,162	777,356
Quebec	13,105,590	12,562,319
Ontario	7,954,603	6,856,947
Prairies	1,929,055	1,681,522
B. C.	1,664,064	1,526,268

Exports to U. S. Higher

In the break-down of the distribution of output, the Dominion Bureau of Statistics reports that exports to the United States rose from 1,364 million kw.h. in 1935 to 1,578 million kw.h. in 1936. This was exceeded in 1927, 1928 and 1930.

Secondary power delivered to electric boilers also reached a new high point at 6,922 million kw.h., which was 27% of the total output and 10.9% above the 1935 output of secondary power.

Consumption Record

Consumption of firm power in Canada, or total output less exports and secondary power, amounted to 16,992 million kw.h. last year, an increase of 7.6% over the 1935 figures and the highest yet recorded.

The consumption of power in the five main economic areas during 1936 and 1935 follows:

(Thousands of Kilowatt Hours)

	1936	1935
Maritimes	825,719	762,984
Quebec	11,165,325	9,959,116
Ontario	8,330,877	8,110,481
Prairies	1,944,021	1,699,469
B. C.	1,645,364	1,507,776

Melcher's Compromise Plan Passes at Meeting

Preferred Shareholders Secure Better Treatment

From Our Own Correspondent

MONTREAL.—Compromise plan for the recapitalization of Melcher's Distillers Ltd. has been accepted by the shareholders.

The essential features of the adopted plan follow:

1. $3.50 a share on class A stock will be paid on account of arrears which, with the 50 cents paid in December, is equal to $4 a share. Of this $3 will be paid immediately and 50 cents on July 2, 1937.
2. Each class A share will be exchanged for 1¼ 6% cumulative participating preferred shares of $10 par value each.
3. Each new preferred share will be entitled to an additional 3% per annum, non-cumulative.
4. After 9% is paid in any one year on the new preferred, any remaining earnings that directors may wish to pay out in dividends will be distributed in the ratio of two-thirds to preferred shareholders and the remaining one-third to present B shareholders who will receive all of the new common stock.
5. Preferred shareholders will be entitled to elect three out of seven directors. Should dividends fall two years in arrears they will be entitled to elect the majority of the board.

It was also decided that the next annual meeting of shareholders will be held on the second Wednesday of April, 1937, and thereafter the annual meeting will be held on the second Wednesday in March.

J. S. Mitchell and Co. Common Dividend Up

From Our Own Correspondent

MONTREAL.—Directors of J. S. Mitchell & Co. have declared a dividend of $2 a share on the common stock, payable March 1 to shareholders of record Feb. 16.

This contrasts with a payment of $1 a share made in March of last year and $1 in 1935, previous to which no dividends had been paid since 1931 when the company distributed $2 a share.

The company has outstanding 15,000 shares of common stock, all of which is closely held.

Donnacona Paper Co. Lets Contract for Vessels

From Our Own Correspondent

MONTREAL.—Donnacona Paper Co. has let a contract to George T. Davie, Lauzon, P.Q., for the construction of two newsprint carriers. The ships will be operated on the Richelieu River-Lake Champlain waterway from the St. Lawrence to New York. Capital expenditure involved will be provided out of the proceeds of the recent sale of notes.

Regent Knitting Mills Considers Bond Issue

From Our Own Correspondent

MONTREAL.—A special general meeting of shareholders has been called by Regent Knitting Mills for Feb. 4 next to consider changes in connection with the bonded debt.

The meeting will be asked to approve a by-law passed by the directors Jan. 18, authorizing a new bond issue by the company to an aggregate amount of $525,000 at interest not to exceed 4% per annum. The 6½% bond issue now outstanding is being redeemed on March 1, 1937.

St. Lawrence Paper Mills Reconditioning Machine

From Our Own Correspondent

MONTREAL. — St. Lawrence Paper Mill is overhauling one of its newsprint machines in order to bring it into operation this spring. The machine may be ready by Easter.

Start '37 Right!

Don't let obsolete equipment retard the tempo of *your* 1937 business year. Inefficiency pays no dividends.
Standardize on Reliable Products.

OFFICE SPECIALTY MFG. CO.
NEWMARKET, CANADA
Branches in Principal Canadian Cities

Vigilantes Urged On Stock Fraud

Although unanimous endorsation of the operations of Toronto's Better Business Bureau under the direction of A. R. Haskell, general manager, was given by members of the bureau in Toronto last week, doubt was expressed whether the bureau or other fraud prevention agencies are equipped to deal with the new flood of questionable stock promotion schemes and "high pressure" selling methods making their appearance in Toronto.

One member of the bureau, representing a large Toronto industry, sounded an echo of the days of the forty-niners. He wanted a "vigilantes committee," acting in advisory capacity to the bureau. Neither the bureau or other private or governmental agencies seemed capable of coping with the latest recurrence of racketeers attempting to mulct Ontario's public through stock promotion, commercial and minor schemes of a "get-rich-quick" character, it was indicated. Officials of the bureau promised "consideration" of the idea but there is no indication that the suggestion will be put into effect.

West. Nova Scotia Electric Agrees to Revaluation

From Our Own Correspondent

MONTREAL. — Western Nova Scotia Electric Co., subsidiary of Nova Scotia Light and Power Co., has withdrawn its application to the Nova Scotia Board of Public Utilities for the establishment of a rate base backed by book figures and agreed to have an actual physical valuation of its properties by an engineer of the board's selection. Such a valuation will be made before a rate base is established.

In its application the company had argued for acceptance of the present suggested schedule of a valuation of $317,519, this amount showing a slight reduction from the valuation for 1925, $380,441, which was set as the rate base at that time. This was not acceptable to representatives of the town of Yarmouth.

Dolan Elected Member Montreal Curb Market

From Our Own Correspondent

MONTREAL.—Frank J. Dolan, Montreal, has been elected a member of the Montreal Curb Market. For the past eight years Mr. Dolan has been actively identified with the financing and development of mining properties in Quebec. He now intends to engage in the security brokerage business here.

C. S. L. Scheme Is Approved

Debentures To Be Retired and Remaining Debt Reduced

From Our Own Correspondent

MONTREAL.—Security holders of Canada Steamship Lines have approved the reorganization plan announced early in December. The shareholders' approval was not unanimous, 1,417 shares of preferred being voted against it, and 75,462 shares in favor. The vote of common shareholders was 60,069 shares in favor, and 67 shares against.

The policy adopted by the shareholders provides for redemption, without recourse to new financing, of $2.1 millions of 5% debentures now outstanding; exchange of existing 6% bonds for new bonds, preferred stock and common stock, and exchange of existing preferred and common for new common. All arrears of interest and preferred dividends are to be cancelled.

New Capital Distribution

Holders of the 6% first and general mortgage bonds will receive for each $1,000 par value bond held: $600 principal amount of new 5% bonds; 13 1/10 share of new 5% preferred stock, $50 par; and three shares of new no par value common stock.

Holders of existing 6% preferred stock will receive 1¼ shares of new common per share of preferred, while one-half share of new common will be distributed for each share of old common.

Capitalization of the company on the new basis, after redemption of the 5% debentures, will consist of $10.5 millions of 5% bonds; 229,250 shares of $50 par value 5% preferred stock; and 300,000 no par value common shares.

Foresees Rise In Tire Prices

Higher Prices of Crude Named as Chief Reason

Tire prices are not in proper relation to present costs, and increases in prices of both standard brands and special brands are fully warranted, says F. A. Warren, president, Gutta Percha and Rubber, Ltd.

Mr. Warren referred to the sharp gain in crude rubber prices during 1936 which rose more than 50% to a current price of 20½ cents a pound. Volume of retail tire sales, he states, kept pace during 1936 with corresponding figure for 1935 but sales generally were lower corresponding with the recession in automotive production.

Sales of rubber footwear were higher due largely to lessened importations which in 1935 amounted to more than one million pairs, chiefly from foreign countries.

1936 Sales $45 Millions

Sales volume for the entire industry in 1936 he estimated at $45 millions, an increase of $10 millions from the low point of 1932. This provided employment for 12,000 persons with a payroll in excess of $13 millions, transportation charges of $2 millions and taxes in excess of $3 millions.

Sales prospects for the near term future pointed to continued improvement "subject to the effect of Government trade treaties with other countries and depending particularly on the terms of the renewal of the Empire trade agreements in 1937," said Mr. Warren.

Fraser Cos. Reported Considering Pulp Mill

From Our Own Correspondent

MONTREAL. — It is unofficially reported that negotiations are nearing conclusion between the New Brunswick Government and Fraser Companies for establishment of a pulp mill in Miramichi area.

from Rags to Riches

THE LOWLY RAG, it is interesting to note, enters the realm of business in a most important way. It finds itself greatly in demand for the making of the highest grades of safety paper on which is printed financial documents and documents "representing" money. Not only does such safety paper practically defy illegal manufacture—but it provides a surface which reflects all the clearness of detail of the intricate designs and patterns which, for the sake of beauty and safety, are used in the engraving of stock and bond certificates, postage stamps and all money "tokens". When you are in need of any such work, will you be good enough to write us?

EXPERT
and
EXPERIENCED
Engraving
and Printing of
Bank Notes
Bonds
Debentures
Stock Certificates
Cheques
Drafts
Postage and Revenue Stamps
and other
Monetary Documents

30

CANADIAN BANK NOTE COMPANY
Limited

HEAD OFFICE
and WORKS
OTTAWA

BRANCH OFFICES
TORONTO
MONTREAL

TRUST OFFICER

A. R. Courtice, who has been appointed trust officer of the Toronto General Trusts in charge of the corporate trust department. Mr. Courtice is a graduate of the University of Toronto and Osgoode Hall; he also served overseas. Before joining the corporation in 1928 he was in private legal practice in Toronto.

Quebec to Pass Bill Cancelling Gold Clause

From Our Own Correspondent

MONTREAL.—Legislation will be introduced in the provincial House when it meets next month, to eliminate the gold clause contract in all provincial borrowings. At present a number of the Quebec bond issues call for payment in gold or its equivalent. As gold is no longer obtainable, payment in "equivalent" would mean a very heavy premium in legal tender.

Other provinces have announced their intention of passing similar legislation.

Gt. Lakes Paper Coupons Cashed

Dominion Bank Offers Full Payment of Interest

The coupon due Oct. 1, 1936, on new 5% bonds of Great Lakes Paper Co. will now be paid at the full face value by The Dominion Bank. The bank will also pay at face value the coupon due April 1, 1937, when it falls due.

In effect, the offer of the bank to pay the coupons at full value amounts to an offer to lend the company short term funds at 5%. The coupon due Oct. 1, 1936, has been deferred with bondholders' approval until July 2, 1938. And the coupon due April 1, 1937, has been deferred until July 2, 1939. The company is to pay interest on the deferred coupons at 5%. By purchasing the coupons from bondholders at par, therefore, the bank will receive 5% interest on its investment in coupons.

From the viewpoint of bondholders desiring regular income, the payment by the bank is just as satisfactory as if the company were paying the current interest. It has been stated officially that the company will make payment on the coupon due Oct. 1, 1937.

As a result of the arrangement for bondholders to get their full interest immediately, the bonds are now traded with accrued interest.

Assets Holding Co. Pays Off Creditors

MONTREAL.—All of the outstanding debenture stock of Assets Holding Co., representing the amounts which were owed to the clients of the firm of Greenshields & Co. when it suspended Oct. 5, 1931, will be redeemed at par and accrued interest Feb. 1.

Announcement to this effect is contained in a letter from Assets Holding Co. to the debenture holders. The latter says the securities and assets held by the company have been realized. Further, the partners of Greenshields & Co. have provided the realization company with the additional funds necessary to permit redemption of all of the outstanding 3% debenture stock at par.

How old are your CHILDREN?

Are they old enough to manage your estate if you should leave it to them now? If they are old enough, have they demonstrated experience and ability along these particular lines? We invite you to come in and find out the ways in which this institution can provide the necessary financial and investment knowledge without restricting your family's sense of freedom to any undesirable degree.

Crown Trust Company

WILLIAM I. GEAR, President, JOHN JENKINS, Vice-President
ARTHUR LYMAN, Vice-President, IRVING P. REXFORD, Gen. Mgr.

393 ST. JAMES STREET WEST, MONTREAL

EXECUTORS TRUSTEES • FINANCIAL AGENTS

ON DISPLAY FOR THE FIRST TIME!

NEW
STANDARD SERIES
TERRAPLANE

117-INCH WHEELBASE... 96 HORSEPOWER
FOR THE FIRST TIME AT THIS LOW PRICE

$844*

Come in today and see two new Terraplane models that are creating a real sensation in Canada. A new Standard Business Coupe and a 5-passenger Standard Brougham . . . both priced down close to the lowest cost cars on the Canadian market.

TODAY $844 BUYS MORE OF EVERYTHING YOU WANT! MORE THAN THE LOWEST PRICE FIELD EVER OFFERED!

$844 Now Buys More Power! Terraplane's 96 horsepower is 11 to 14 horsepower more than offered by any other lowest price car.

$844 Now Buys More Performance and Endurance! The new Standard Terraplane's performance and endurance were proved in a "torture test" unmatched by any other 1937 car in the lowest price field . . . equalled only by Hudson.

$844 Now Buys More Economy! Terraplane has proved it can deliver 26.35 miles per gallon at 30 miles an hour . . . proved that it is the No. 1 car in economy.

$844 Now Buys More Style! The new Terraplane Standard offers you advanced style that really is individual and distinctive.

$844 Now Buys More Size and Room! Terraplane's 117-inch wheelbase is 5 inches longer than other leading lowest price cars. Its 55 inches of front seat comfort for three exceeds that found in cars costing hundreds of dollars more.

Look into this new Terraplane Standard Series. You will be pleasantly surprised at the richness in upholstery and fittings.

$844 Now Buys More Safety! Terraplane's body is all of steel, with a seamless roof of solid steel. Duo-Automatic Hydraulic Brakes . . . finest hydraulics . . . plus the exclusive safety feature of a reserve braking system working from the same foot pedal.

$844 plus Federal Taxes $50, total $894 for the business coupe, retail at factory, Tilbury, Ontario. Price includes all standard equipment and safety glass. Freight, local taxes and license extra.*

GET MORE FOR YOUR MOTOR CAR DOLLAR! SEE AND DRIVE THIS No. 1 CAR OF THE LOWEST PRICE FIELD!
Now on display at your local Hudson-Terraplane dealer

HUDSON MOTORS OF CANADA LIMITED, TILBURY, ONT.

Drive CARS BUILT BY HUDSON

TN 172

Investment Trends

Sag in Stock Market May Extend Further

Market Analysts Suspicious of Rise Because of Lagging Railway Shares — Discrimination Now More Necessary in Stocks

Is there a substantial recession coming in the stock market in the near future? The belief in the probability of such a recession continues strong among analysts of market movements and is partly borne out by the recent slight setback.

The rising trend of industrial shares in the past month is regarded with suspicion because railway shares have been persistently sluggish and recent signs of strength in public utilities have waned.

Investment advisers continue to urge caution in dealings in common stocks; maintenance of some cash reserve and avoidance of heavy borrowings while the present uncertainty prevails. The feeling is that there is little to lose by playing a waiting game pending clarification of the market trend. Even if new developments indicate that the rise is to be resumed, it is considered unlikely that there will be a runaway to higher prices.

In view of the scope still remaining for further economic recovery it is suggested that well-tested common shares be retained but that new purchases be delayed in view of the possibility of a temporary recession in prices. This view is modified, of course, by the expectation that individual stocks may rise on their merits even in a period of fairly general uncertainty and that some groups of stocks, such as farm implement shares, may be firm even if stock markets are weak.

New York opinion continues favorable toward shares of producing oil companies.

London investment commentators appear to be taking an increased interest in Canadian shares.

Around the Tops

THE position of stock markets, as measured by recognized averages, is that quotations are close to recent peak levels, but without definite signs of further advance. Montreal industrials and utilities have been standing within a few points of the recent highs for the official exchange averages. Toronto Stock Exchange industrials have lingered slightly below 170 compared with a high this year of 171.25.

In New York, the Dow-Jones industrial average has been running around the former peak of 184.8, but the average for railway shares is well below the 1936 high of 59.9. The interpretation being placed on the lag of the rail shares is that unless the former peak is passed they may pull industrial shares downward. Since New York movements are usually reflected in Canadian markets, this uncertainty continues as a drag on our markets.

Economic and political factors which give a pessimistic light on stock market prospects include the possibility of further European crises, the deterrent to 1937 business from labor unrest, and the deflationary effects of diminished spending by the U. S. Government. While these factors are expected to contribute to intermittent weakness in the stock market in the near future, prospects for later months of the year are considered favorable because of the wide scope for improvement in crop yields and the possibility that building will recover materially this year.

* * *

Types of Stocks

THE types of shares that have benefitted first from the general economic recovery are not regarded as offering as great possibilities of further improvement as shares of industries that have lagged behind the general trend. Shares that are expected to benefit most from completion of the economic recovery are those in industries that progress faster than the general rate or shares of companies whose leverage possibilities exaggerate the effects of an average rate of improvement.

The stock market is already putting a high value on steel, building and construction shares in expectations that these industries will soon make up the lag behind the recovery of stable businesses. This optimism seems to be justifiable in view of the huge backlog of building replacements that has been accumulated in the depression, even though results of many companies dependent on building show only slight improvement for 1936.

Another group of shares that is being given high valuation on the basis of expectations is the farm implement category. The effects of the backlog of demand for new farm equipment is beginning to be felt by such firms as Massey-Harris, Cockshutt Plow and Beatty Bros.

Newsprint shares are being valued so as to discount substantial improvement in earnings this year. Although it is conceded prices are very high in relation to actual earnings, the opinion persists that 1937 results and 1938 prospects will fully justify present values.

One group of securities that does not reflect possibilities of improvement is the category of grain-handling firms, like Alberta Pacific Grain, Bawlf Grain, Western Grain, and others. The reason is that the current season is likely to be a lean one for the firms handling western crops. A good crop this year, however, could reverse this outlook.

As for leverage securities, there is a wide variety even in such stable industries as electric power, including Shawinigan, Power Corp., B. C. Power and Winnipeg Electric.

* * *

Interest Rates

NATIONAL and international banking authorities in annual addresses to shareholders have been expressing the view that interest rates are unlikely to go lower but are more likely to rise. This has a dual significance for the investor. First it indicates that the low point of earnings by banks and mortgage companies has been passed even though improvement may be slow. Second, it suggests that the maximum effects of low interest rates toward raising the price of securities have been realized. Yields on stocks and bonds have apparently fallen as far as is likely under the influence of cheap money. Some investment authorities suggest, therefore, that further substantial advances in bond prices are unlikely, although there may be maintenance of recent high levels. If interest rates rise, it means lower bond prices.

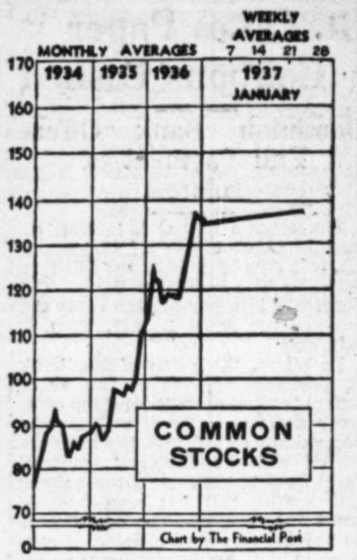
As for stocks, it is suggested that further advances in prices must depend upon improved earnings and dividends. Consequently, it is now of increased importance to examine the circumstances of individual securities, whereas for the past few years pretty nearly every type of investment has been rising in value under the stimulus of cheap money.

* * *

Newsprint Price

A READER notes that Dominion Government statistics show an average price of $34.80 a ton for newsprint exports last December, compared with $34.05 a ton in Dec., 1935. Apparently it is not generally recognized that the price of $41 for 1936 and $42.50 for 1937 includes the cost of delivery which the newsprint firms pay. The price is quoted f.o.b. destination, and transport charges are therefore among the important costs to newsprint mills. However, the rise of 75 cents a ton net in Dec., 1936, over the 1935 month is not out of line with the rise of $1 a ton in the gross price.

Windsor, Ont., in preparing its 1937 budget, will provide for interest payments on the basis of the Ontario Municipal Board decision. Objections of bondholders to the plan are being ignored.



HIGH LEVEL

Dominion Bureau index of common stock prices rose to 138.1 for the week ended Jan. 21, the highest level since November. Comparative indices appear on this page.

Tip Top Profit Higher in 1936

Considerable improvement in earnings of Tip Top Tailors Ltd. during the fiscal year ended Dec. 31, 1936 will be revealed when the company's annual report makes its appearance in a few weeks, The Financial Post understands. Earnings were $9.99 a share on the preferred in 1935 and 30 cents a share on the common stock.

Working capital position will be found to be the strongest in the history of the company and the report will also show that the company has no bank indebtedness. Sales volume has risen substantially since the close of 1935.

Redemption of preferred shares has been in progress with the result that the report is expected to show about $1,200,000 of preferred outstanding compared with $1,282,900 at the close of 1935. It is understood that sale of common stock control is not contemplated.

An expenditure of about $100,000 is planned this year for expansion of the company's operations in various parts of Canada,

G. Tamblyn Ltd. Profits Better

With profits for the four months ended Dec. 31 last substantially higher than in the corresponding period of 1935, G. Tamblyn Ltd., drug store chain, can be expected to report earnings available for dividends in excess of the estimate of $105,000.

The prospectus issued in connection with the refinancing of the company a few months ago showed that earnings declined $22,837 in the first eight months of the year, compared with the same period of 1935. Earnings for the year were then estimated at $105,000, which is equivalent to 80 cents a share on the new common stock.

While profits are not expected to equal the $124,084 earned in 1935, the increase in the last four months offsets to a large extent the decline in the first eight months.

Commodity Prices

PRICE RANGE

	Latest week	Previous week	Same week last yr.
Cattle	$7.00	$7.25	$6.50
Hogs	8.85	9.25	9.25
Copper, lb.	.13	.13	.09¼
Cotton, lb.	.1297	.1307	.1195
Rubber, lb.	.2065	.2194	.15
Sugar, raw, lb.	.0381	.0381	.0335
Silk, lb.	2.26	2.26	1.88
Wheat (Man.) bu.	1.22½	1.24⅞	.84¾
Coffee, lb.	.09⅛	.09	.06⅝
Hides	.14½	.14½	.11½
Weekly Indices			
N. Y. Annalist	138.2	139.6	127.4
Fishers'	90.2	90.7	83.9
N. Y. Journal of Comm.	86.6	87.3	79.9
Crumps (Brit.)	79.00	78.4	68.3
U. S. Labor	85.7	85.2	80.2
Canada (D.B.S.)	81.7	80.9	72.9

Monthly Indices

Canada (D.B.S.)	Latest month	Prev. month	Same last year
Retail (Dec.)	81.8	81.7	80.5
W'sale (Dec.)	79.7	77.2	72.5
U. S Labor (Nov.)	82.4	81.5	80.6
Gt. Brit. (Nov.)	86.1	85.5	79.9

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1929=100 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price. Toronto: Copper-electrolytic, New York: Silk—Japanese, 13-15, New York: Sugar — 96 degrees centrifugal c/f New York: Wheat—No. 1 Man. North Ft. W.-Pt. A. basis: Hides—No. 1 packer light native cows: Hogs—select bacons, Toronto.

Doubt Change In Grain Tariff Via U. S. Ports

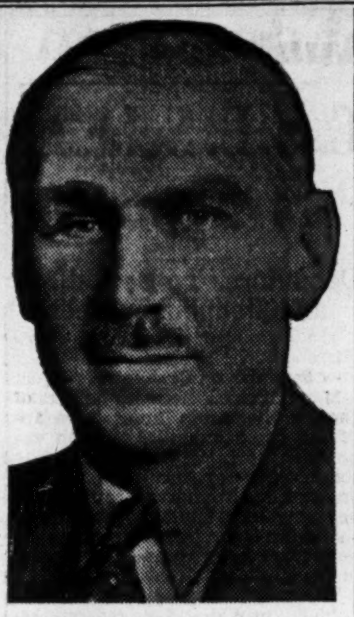
Britain Unlikely to Insist on Direct Canadian Shipments

No change is expected in the British tariff regulation on Canadian grain exported to the United Kingdom via Buffalo or other American ports, as a result of the impending renewal of the Ottawa agreements.

Some disturbance has been reported in grain circles here and in United States following rumors that Canada would insist on the present British preference only applying to direct shipments.

Such a rigid interpretation of the British tariff regulations would divert much of the grain now shipped via New York or temporarily stored at Buffalo, to Canadian maritime ports in order to escape the general British wheat duty of six cents per bushel.

The Financial Post, however, is unable to secure any confirmation that the Canadian Government has asked for any change in the interpretation reached some years ago that bona fide Canadian shipments via American ports would be admitted to the United Kingdom free. In well informed circles it is considered extremely doubtful whether the British authorities would take such a step, which is certain to meet United States opposition, at a time when a new trade agreement is being negotiated between London and Washington.



IMPERIAL DIRECTOR

Col. A. L. Bishop, Toronto, has been elected a director of the Imperial Bank of Canada. Prominent in military circles, Col. Bishop's main business interest is mining. He is president of The Coniagas Mines, Ltd.; Sturgeon River Gold Mines, and vice-president of Coniaurum Gold Mines. Among the various directorates he holds are those with the Manufacturers Life Insurance Co., Toronto General Trusts, and Anglin-Norcross Corp.

Saint John, N.B., reports that tax receipts in 1936 at $1,605,029 were $28,991 better than in 1935. This total was made up of $1,207,331 of 1936 taxes and $397,697 on arrears.

Investment Notes

Dome, McIntyre, Lake Shore—In the final quarter of 1936, Massachusetts Investors Trust, major American investing company, sold all its 10,000 shares of Dome Mines, its remaining 700 shares of McIntyre Porcupine and its 9,600 shares of Lake Shore Mines.

* * *

Canada Bread — There appears to be a discrepancy between the price of the B preferred and the common shares. At $58, the B preferred carries a cumulative dividend of $2.50 a share annually, and arrears of $2.62½ a share. The common gets 10 cents a share after all the B arrears are paid, and then the B preferred gets eight cents a share further for each additional one cent on the common. So the common at $10 appears too high, or perhaps the B preferred is too low at $58.

* * *

Brazilian Traction — "American buying of this stock has been resumed after a lapse of several years," says the Investors' Chronicle, London, "and in view of the signs of improvement in Brazilian conditions it is now suggested that the price will rise to 25 before many months have elapsed."

* * *

Massey-Harris — As a long-term speculation, "the common shares may have some chances, now that agricultural conditions the world over seem to be gradually improving," comments the Investors' Chronicle.

* * *

Ford A—In the last three months of 1936, Broad Street Investing Co. acquired 4,500 shares and Selected Industries Inc. bought 3,000 shares, neither investment trust having been a holder of Ford at Sept. 30, 1936.

* * *

Walker's, Hudson Bay—In the final quarter of 1936, Selected Industries Inc. bought 5,000 shares of Hudson Bay Mining & Smelting and reduced its holdings of Walker-G. & W. common by half, by selling 4,000 shares.

* * *

Int. Nickel—Purchase of 400 shares, bringing the total holding to 1,900 shares, is reported by Broad Street Investing Co. for the final quarter of 1936.

* * *

Teck-Hughes — D. L. H. Forbes, president and general manager, bought 5,000 shares in November, increasing his holdings to 62,000 shares.

* * *

Oldetyme Distillers—H. C. Kaplan, a director, through Inwood Corp, decreased the number of common shares in which he has an unspecified proprietary interest from 25,400 to 5,400.

* * *

Canadian Wineries—The company is said to be making progress in its campaign to rehabilitate earnings.

* * *

Industrial Acceptance—Holders of each $100 5% preferred share are entitled to buy within the next three years 1½ class A shares at an average price of $32½. With the class A stock at $38½, this option would appear to be worth $9 a share for the preferred which, however, has been selling at a premium of only about $5 a share.

* * *

Rogers-Majestic—"It would appear that Rogers-Majestic class A stock is an attractive purchase at present market levels of about $8," says a circular prepared by Dickson, Jolliffe & Co., Toronto Stock exchange firm.

* * *

Montreal Power—Gross earnings were somewhat larger last year, but Old Man Taxation cut into net profits, so that there will be a slightly smaller amount available for dividends. In 1935 Montreal Power earned $1.75 a share, as against dividends of $1.50. The 1936 report, scheduled to come out next week, will show a satisfactory surplus after dividends.

* * *

Gypsum, Lime—Earnings during the fiscal year ended Nov. 30 were not as large as the management had hoped for, but still the statement was much better than in the previous year. Prospects look encouraging, says President Cockshutt, and larger share earnings are anticipated in 1936-37.

* * *

Canada Steamship Lines — New preferred and common shares have been admitted to trading on the Montreal Stock Exchange on a "when, as and if issued" basis. Arising out of its recent reorganization and recapitalization scheme, the company will have issued 229,250 new 5% preferred shares of $50 each and 300,000 shares of no par value common stock.

* * *

Consumers' Gas—The impression seems to have got abroad that only present shareholders are entitled to submit tenders for allotments of the new issue of common stock of the company. Anyone is permitted to put in a tender, whether a shareholder or not.

* * *

Massey-Harris — J. S. Duncan, general manager, in addressing company pensioners at Brantford, stated that the company has emerged from the long agricultural depression. In elaboration of the increase of over 30% in sales in 1936, Mr. Duncan said there were gains of 95% in Argentina, 58% in New Zealand, 28% in England, and 32% in Australia. It is known that Canadian sales showed only small improvement, but would be susceptible to pronounced gains if good crops are reaped this year.

* * *

Building Products—Financial statement for 1936 will be mailed to shareholders some time this week. While no official information is available, judging by the increased dividends and report of larger employment, it is anticipated that profits will be substantially greater than in 1935, when $1.27 a share was reported on both classes of stock. During the past year the company paid $1.95 a share on the A and B stocks.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg. mater.	Indust. mines	Total industrials	Total utilities	Total co's.
	8	6	4	4	10	13	7	14	2	68	19	96
1929-35:*												
High	†100.0	113.4	273.4	423.5	113.5	197.8	205.4	†100.0	†100.0	317.6	166.0	232.6
Low	....	2.8	37.7	83.6	28.0	72.1	28.5	....	....	49.3	33.1	40.9
Monthly Figures, 1936:												
Jan.	118.2	18.6	80.0	231.0	75.5	153.6	151.7	127.3	387.2	187.7	52.4	117.8
Feb.	125.0	20.2	84.3	243.5	74.0	158.7	151.7	135.4	418.2	200.0	57.0	126.1
March	122.2	18.5	88.7	237.3	73.1	153.0	140.1	131.7	416.3	194.8	55.5	122.8
April	114.3	17.5	91.0	244.5	71.3	150.7	131.7	134.1	401.8	194.2	53.2	121.4
May	108.0	16.7	87.3	234.0	68.1	145.7	131.4	128.6	394.8	187.9	52.5	117.9
June	106.3	17.5	86.5	228.1	67.4	149.2	129.3	131.0	417.8	189.3	53.3	119.0
July	102.4	18.6	87.0	224.3	66.8	153.9	131.6	137.2	428.5	190.1	53.8	119.6
Aug.	103.0	18.0	89.9	218.9	68.0	157.1	135.7	142.5	444.2	191.4	53.1	119.9
Sept.	113.6	20.3	93.9	220.6	70.6	162.5	133.2	149.7	488.1	200.6	54.8	125.2
Oct.	127.3	24.4	101.9	232.5	73.4	171.7	135.6	162.6	519.3	212.3	59.8	133.4
Nov.	140.4	27.5	107.0	233.4	74.4	179.6	143.6	178.3	546.2	219.9	62.4	138.4
Dec.	139.4	29.7	112.5	215.4	73.5	182.3	145.3	181.9	540.0	212.8	62.8	129.2
Weekly Figures, 1937:												
Jan. 7	149.6	35.2	114.1	228.7	75.2	183.3	140.5	194.8	546.9	221.0	67.6	136.1
Jan. 14	150.8	36.7	115.4	230.1	76.5	184.1	141.3	196.9	553.9	222.6	68.8	137.7
Jan. 21	160.0	38.6	120.3	230.1	78.8	184.4	141.4	199.4	548.5	222.8	69.2	138.1

*High and low of years from 1929 to 1935 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

†1926.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Jan. 26	167.16	161.27	195.86
Jan. 25	169.35	161.60	198.07
Jan. 23	169.67	161.70	199.25
Jan. 22	169.87	161.44	199.73
Jan. 21	169.39	162.01	200.46
Jan. 20	169.55	161.21	200.02
Month ago	158.51	153.65	195.80
Year ago	134.36	133.78	130.51
High, 1936-7	171.25	162.04	201.76
Low, 1936-7	125.71	115.97	123.59

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Jan. 26	88.5	110.8	103.3
Jan. 25	88.5	112.8	104.8
Jan. 23	88.5	113.7	105.4
Jan. 22	89.0	113.3	105.2
Jan. 21	88.5	112.7	104.7
Jan. 20	88.7	110.6	103.3
Month ago	80.7	105.0	96.9
Year ago	68.2	72.6	71.2
High, 1936-7	90.1	114.0	105.7
Low, 1936-7	67.2	69.5	68.9

Power Corp. Betters Status

Higher Earnings, Larger Equity Reported at Half Year

From Our Own Correspondent

MONTREAL.—Further improvement in revenue and an increase in equity back of the common shares is reported by Power Corp. of Canada. An official statement for the six-month period ended Dec. 31, 1936, shows that net revenue applicable to the common shares improved approximately 25% over the same period of 1935.

The report points out that in view of the company's interest in Canada Northern Power Corp., which supplies power to the mining districts in Northern Ontario and Northern Quebec, an interest has been taken in the mining development of the Northern territory. Certain investments have been made in mining properties and as at the end of last December, these investments had a book value of under $400,000 and a market value of over $2.5 millions.

During the period the company acquired for cancellation $122,000 of its debentures.

The actual book value of the common stock of the company at the end of the six months period was over $32 a share on the 446,227 common shares outstanding.

C.N.R. Issues New Bonds

Proceeds of $35.5 Millions Issue Will Reimburse Government

From Our Own Correspondent

MONTREAL.—Bank of Canada is making a public offering of $35.5 millions of Canadian National Railways Dominion-guaranteed bonds, proceeds from which will be used to reimburse the Government for advances made within the past year to the railway company for redemption of funded debt which matured or was called for redemption.

The new issue consists of $15.5 millions of 2½% 7-year bonds due Feb. 1, 1944, and $20,000,000 of 3% 15-year bonds due Feb. 1, 1952. The short-term bonds will be non-callable and the 15-year bonds will be callable at par on and after Feb. 1, 1948.

The offering price of the 7-year bonds is 99.125 and interest to yield 2.38% and of the 15-year bonds at 99.50 and interest to yield 3.04%.

The bonds are guaranteed unconditionally by the Dominion Government as to principal and interest.

This loan marks further progress in the programme of Canadian National Railways to redeem loans payable in foreign currencies and to reduce the cost of debt service.

With the exception of an internal loan of $13.4 millions which falls due in 1938, there are no major maturities of Canadian National Railways' loans in the next two years.

Viceroy Rubber Offering Bonds

Proceeds to Be Used For Refunding Purposes

An offering of $350,000 of first mortgage bonds of Viceroy Manufacturing Co., Toronto, is being made by Stewart, Scully & Co., investment dealers. The issue consists of $150,000 of 3½% serial bonds, $25,000 of which mature annually until 1943, and $200,000 of sinking fund bonds maturing in 1952.

Proceeds of the issue are to be used for general corporate purposes and to redeem an outstanding issue of 6½% first mortgage bonds. The 6½% bonds, of which there are $233,000 outstanding, have been called for redemption at 104 on March 1.

Fanny Farmer Sales 17.9% Higher in 1936

Fanny Farmer Candy Shops Inc. reports sales of $5,682,928 for the 12 months ended Dec. 31, 1936, compared with $4,818,395 in 1935, an increase of 17.9%.

Earnings of the company for 1936 are expected to be $1.50 a share or more, compared with $1.28 in 1935.

The company's annual report will be ready about Feb. 15.

Winnipeg, Man., estimates that the civic-owned hydro-system will have a surplus of $150,000 on its 1936 operations. This is the first surplus for a number of years. Manager J. G. Glassco states that $40,000 of the surplus will be spent in improving the hydro plants on Winnipeg River.

Mining Dividends

	Rate	Close Jan. 25	Yield %
Anglo-Huronian	20c	7.40	..
Beattie Gold	†5c	1.45	..
Bralorne	40c+15c	8.90	..
Buff. Ankerite	50c	11.50	4.3
Bulolo Gold	‡1.40	28.00	..
Cariboo	10c	1.60	6.2
Central Patricia	†4c	4.50	..
Coniagas	12½c	3.45	..
Cons. Smelters	$1+$1	76.00	..
Dome Mines	$2+$2	49.87	*8
Falconbridge	30c	11.50	2.6
Hollinger	65c+45c	15.00	*7.3
Howey Gold	2c	.64	..
Hudson Bay	$1	34.00	..
Island Mountain	‡10c	1.10	..
Int. Coal & Coke	‡1c	.22	..
Inter. Nickel, c.	$1.60	63.75	2.5
Inter. Mining	45c	16.50	..
Kerr Lake	5c	.65	..
Kirk. Lake	‡3c	1.26	..
Lake Shore	$5	57.00	8.8
Lava Cap M.	4c+1c	.88	..
Little L. Lac	30c	8.25	..
Macassa	15c	7.80	..
McIntyre	$2	40.87	4.9
McKenzie R. Lake	6+1c	1.85	..
McKinley Sec.	2½c	.65	..
McWatters Gold	†5c	.98	..
Nipissing	50c	3.10	..
Nor. Can. Mining	2c	.75	..
Noranda	$3	75.50	3.9
Pickle Crow	20c	8.80	2.3
Premier	12c+4c	4.10	*4
Pioneer, B.C.	80c	6.40	12.5
Reno	12c	1.20	10
San Antonio	14c	2.20	..
Sheep Creek	8c	.65	12.3
Siscoe	20c	6.15	3.2
Sudbury Basin	10c	5.80	..
Sylvanite	20c	4.40	4.5
Teck-Hughes	40c+5c	5.60	*8
Toburn	8c	4.15	1.9
Ventures	2½c+2½c	2.90	..
Wright-Har.	40c+15c•	7.90	*6.9
Ymir Yankee Girl	5c	.37	..

‡Interim. †Initial.
*Yield includes bonus.
•Includes 10c. interim payable Feb. 1.

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Securities may be purchased readily and satisfactorily by mail. Our correspondence department is equipped to efficiently assist in your investment problems.

We will be glad to provide quotations and statistical data as well as to execute orders to purchase or sell securities. Our services are available at all times to all investors.

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Bond Tenders

12 noon, Jan. 29, Dominion of Canada Treasury Bills—$30,000,000, dated Feb. 1, 1937, payable May 1, 1937. Bank of Canada, Ottawa.

5 p.m., Jan. 30, Granby, Que. — $15,000, 3½ or 4% bonds, dated Jan. 1, 1937, redeemable in 10 years. Arthur Montfils, sec.-treas.

Feb. 2, Montreal—$6,500,000, 2½, 3 and 3½%, redeemable in series of annual payments over 15 years, payable in Canadian funds only.

8 p.m., Feb. 8, Sorel, Que.—$25,000, 4%, dated Mar. 1, 1937, redeemable serially 1938 to 1952; $15,700 4% redeemable serially 1938 to 1952. A. O. Cartier, clerk.

Feb. 9, Mun. of Repentigny, Que.—$24,000, dated Jan. 1, 1937, redeemable serially for 20 years, 3½% for first 10 years, and 4% for last 10 years. J. A. Thouin, sec.-treas. of corporation.

2.30 p.m., Feb. 8, Montreal Catholic School Commission—$4,550,000, 3½% as follows: $2,000,000, dated Feb. 15, 1937, due 1944; $1,000,000, due 1947; $1,550,000, due 1949. Victor Dore, gen. chm., Montreal. (See announcement on page 16).

12 noon, Jan. 30, Brantford — $50,000, 3½% 20 yr. serial; $165,000, 3½% 10-yr. serial dated Dec. 31, 1936. E. A. Danby, treas. (See announcement on page 21).

Municipal Bonds

	Rate	Due	Bid	Ask.	Yld.
†Halifax	5	1961	115.00	116.50	3.94
Hamilton	5	1950	111.00	112.50	3.80
Montreal	5	1945	106.00	107.50	3.92
Ottawa	4½	1945	109.00	111.00	3.00
†Quebec	5	1959	106.00	107.50	4.46
Saint John	5	1950	107.50	108.50	4.19
†Toronto	4½	1955	112.50	114.50	3.42
†Vancouver	5	1950	94.00	98.00	5.21
Winnipeg	5	1944	98.00	102.00	4.67

†Payable Can. and N.Y.

Listed Bonds

Week Ended Jan. 25, 1937

	Int. rate	Due	High	Low	Range 1936-7 High	Range 1936-7 Low
Mtl. L. H. & P. Debs.	3	'39	50¼	50¼	51¼	50
McNish	6	'48	3.85	3.60	4.00	3.00

Investment Trusts

	Bid	Asked
Can. Amer. Trust	4.65	4.95
Can. Invest. Fund, ex-div.	4.75	5.10
All Can. Trustee	15.00	16.00
Trans-Canada	...	15.35
Grouped Income	6.84	7.50
Can. Equity	13.50	...
Can. Int. Tr., modified	6.00	6.75
Do., unmodified	5.50	6.25

CANADIAN NATIONAL RAILWAY COMPANY
Guaranteed unconditionally by the Dominion of Canada.
7 year 2¼% Bonds, due February 1st, 1944
Price 99.125 to yield 2.39%
15 year 3% due 1st February, 1952
Issue Price: 99.50 to yield 3.04%
Particulars on request.
HANSON BROS.
INCORPORATED
ESTABLISHED 1883
255 St. James Street,
MONTREAL
OTTAWA TORONTO

LISTED UNLISTED
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INDUSTRIAL AND MINING
H.B.HOUSSER&CO.
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The Toronto Stock Exchange
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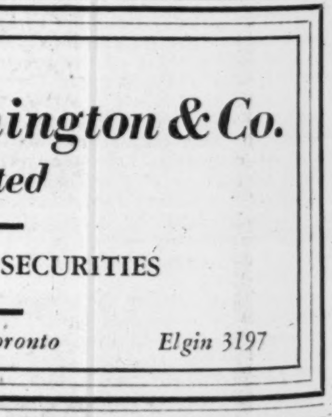
FOR SALE
Turner Valley Oil Lease

Owner of 320 acres choice oil lease western section of Turner Valley, in neighborhood present crude producers, wishes to sell for cash plus stock consideration to company prepared to begin drilling by May 1st, 1937. Total royalties payable only 12½%. This is one of the few good drilling sites available in this important field.

Please be prepared to make firm offer immediately if you are interested.

Write or wire:
OIL LEASE OWNER
809 Lancaster Building
Calgary, Alta.



Prospectus and semi-annual report of Canadian Investment Fund, Ltd., obtainable from your own investment dealer.
CALVIN BULLOCK, LTD.

Taylor S. Pennington & Co.
Limited
INVESTMENT SECURITIES
80 King Street W. *Toronto* *Elgin 3197*

Winnipeg Electric Company
Preferred
and Classes A and B
Common Stock
We have prepared an analysis of the above securities. Copies available upon request.
C. A. GENTLES & CO.
MEMBERS
The Toronto Stock Exchange
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347 BAY ST. TORONTO ADelaide 4012
276 ST. JAMES ST. W. MONTREAL PLateau 4881

DIVERSIFIED INVESTMENT

The following list of Canadian corporation bonds offers favorable opportunities for investment. We shall be pleased to furnish additional suggestions upon request.

	Rate	Maturity	Price	Yield
National Grocers Company	4%	1947	102.50	3.71%
Power Corporation of Canada	4½%	1959	102.25	4.37%
Reliance Grain Company	4½%	1952	101.50	4.36%
Union Gas Company	4½%	1950	100.50	4.45%
Gatineau Power Company	5%	1956	104.50	4.64%
Can. International Paper Co.	6%	1949	103.00	5.66%
Winnipeg Electric Company	4%	1965"A"	86.25	5.68%
Canada Steamship Lines	6%	1941	75.00	Flat

NESBITT, THOMSON & COMPANY
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355 St. James Street West, Montreal
Branches in all the principal cities of Canada

Bond Markets

Western Provincials Lead Price Decline

Prices of High-grade Government Bonds Continue to Decline — Limited Field Enjoys Benefits of Cheap Money

With demand slack, prices of high-grade government bonds continue to decline, the drop being accentuated by announcement of an offering of $35 millions of Canadian National Railway bonds, guaranteed by the Dominion Government.

The softening is attributed in part to the absence of institutional buying and to some liquidation on the part of the banks. In this connection it is pointed out that security holdings of the chartered banks showed a reduction at the year-end and that during the latter part of the year there was an increase in commercial loans. Declining bond prices in New York have also been a factor.

Bonds of the three prairie provinces have recorded very substantial declines as a result of the failure of the Dominion Government to make any announcement as to whether it contemplates financial assistance to these provinces. News dispatches indicate that these provinces may be left to solve their own difficulties. In this event, Saskatchewan and Manitoba may be forced to cut interest on their bonds. With demand practically non-existent, losses up to six points have been registered by Alberta, Manitoba and Saskatchewan issues. British Columbia issues have eased only slightly.

Indications are that the cities of Calgary and Edmonton are not interested in a straight business adjustment of their debt burden, but rather desire to take a crack at bondholders by cutting interest.

Cheap Money

A NUMBER of Canadian financiers are of the opinion that the "easy money" policy of the Government has been carried far enough, if not too far.

In this connection, H. F. Patterson, general manager of the Bank of Nova Scotia, in addressing the annual meeting of the bank, pointed out that the benefits of "easy money" have been slow to work through the economic structure. Further, the pressure of cheap money tends to encourage excessive expansion in certain activities, while it has little effect in others. If carried too far, it may promote an unbalanced recovery.

As he points out, the benefits of "easy money" have as yet been enjoyed in only a limited field. It has enabled strong Government bodies to make substantial savings. It has permitted a large amount of refunding of outstanding high coupon issues on the part of corporations of good credit standing. As yet, however, it has not resulted in a substantial volume of new financing. It has led to lower mortgage rates, but such reduction is not reflected in new building. It has done very little to assist farmers, especially those in the greatest need.

• • •

Unfavorable Factors

AN UNFAVORABLE feature of the reduction in yield on high-grade securities seen by Mr. Patterson, and also by A. N. Mitchell, vice-president and general manager of the Canada Life Assurance Co., is the resultant lowering of income for holders of securities. The incomes of thousands of individual owners of bonds have in this way been substantially reduced. An even larger number of people are adversely affected by lower interest on bank deposits, lower dividends, and higher premiums on life insurance policies, which are due in part to lower bond yields.

Danger is also seen by these two men in the flow of investment funds from the bond market to the stock market as a result of interest rates on bonds. This leads to unhealthy speculation and unbalanced expansion.

• • •

Market Notes

DESPITE the small interest in high-grade Government bonds, the corporation bond market continues active.

For the first time in weeks, newsprint bonds failed to record advances. Prices, in fact, have eased off fractionally.

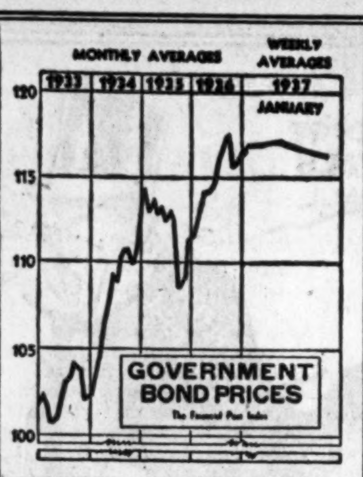
Beauharnois Power 5's have slipped a further 5½ points to 56½. This is due to the Ontario Government's action in introducing legislation to prevent the companies affected by repudiation of power contracts from securing redress in the courts. There seems to be little prospect of an appreciable increase in the company's earning power in the near future.

Dominion Steel & Coal 6¼% income bonds have been in demand as a result of continued favorable reports from the steel industry.

The trend of the high-grade market is indicated below:

The Financial Post Index of Average Price and Yield of High-Grade Govt. Bonds

1937	Price $	Yield %	1936	Price $	Yield %
Jan. 26	115.71	3.141	Jan. 25	112.71	3.435
Jan. 25	116.07	3.094	Jan. 24	112.65	3.454
Jan. 23	116.29	3.074	Jan. 23	112.43	3.468
Jan. 22	116.36	3.067	Jan. 22	112.32	3.475
Jan. 21	116.39	3.064	Jan. 21	112.01	3.509
Jan. 20	116.43	3.061	Jan. 20	112.09	3.501
Year's	116.81	3.026	Year's	117.91	2.966
Range	115.71	3.141	Range	111.50	3.597



Atlantic Utilities Sells New Issue

From Our Own Correspondent

MONTREAL.—W. C. Pitfield & Co. has concluded the sale of $500,000 of 4% 20-year first mortgage and collateral trust bonds of Atlantic Utilities Ltd. at par and accrued interest.

Proceeds of the issue are being used by the company to retire all the presently outstanding 5% first mortgage and collateral trust bonds, series A issued in Sept., 1933. on March 1 next. Payment of the principal and accrued interest will be in Canadian funds only, with a premium of 5% on the capital amount.

Atlantic Utilities is a wholly owned subsidiary of Maritime Telegraph and Telephone, formed in 1929 primarily to hold assets of the parent company not required for the purpose of providing telephone service in Nova Scotia.

Its principal holdings consist of all the issued capital stock of the Island Telephone Co., which owns and operates the principal telephone system in Prince Edward Island and all shares of Eastern Electric Supply Co., operating in Nova Scotia.

Canadian Paperboard Meeting is Adjourned

Shareholders of Canadian Paperboard Ltd. at their meeting on Jan. 22 appointed a committee to investigate the merits of the offer of $575,000 by Robert Gair Co. Inc. for the four plants of the company's subsidiaries.

Final consideration will be given at another meeting of shareholders which is to be held Feb. 16.

Edmonton and Calgary May Reject Refunding

Neither City Satisfied With Bondholders' Plan

LARGE SAVING

Indications are that unless further drastic concessions are made by bondholders the refinancing plans that have been proposed for Calgary and Edmonton will be rejected by these two cities.

Officials of both cities have voiced strenuous objections to the proposed refinancing plans, largely on the grounds that while they provide immediate relief, debt charges in the future will be considerably heavier than under the present schedule of debentures. Another contentious point is the fact that interest is not being reduced except on high coupon bonds and there the holders are being compensated for taking a lower rate. Some councillors feel that the adjustment should consist of a straight cut in interest rates.

J. E. Fortin of the Dominion Mortgage and Investments Association, Toronto, representing the bondholders, and Mayor Andrew Davison are considering possible amendments to the bondholders' plan for Calgary. A revised plan, it is expected, will be submitted to the finance committee of the city council within the next 10 days.

Two Alternatives

If bondholders refuse to make sufficient concessions or the two cities refuse to accept the proposed plans even in revised form, then two alternatives remain. Either the Provincial Government can be requested to proclaim its legislation fixing interest on municipal debentures at 3% or the cities can default.

The present plans as proposed by bondholders contemplate considerable immediate relief to the taxpayers of the two cities with a minimum of annoyance to bondholders.

Calgary Plan

Under the Calgary plan the entire capital debt of the city and the public school board, including debentures, capital bank loans and treasury bills, is to be refinanced by exchanging these obligations for new 25-year debentures maturing Jan. 1, 1962.

No cut in interest is contemplated except on the 5½% and 6% debentures, which are to be exchanged for new 4½% debentures. Holders of these debentures, however, will be compensated by valuing them for their present unexpired term to yield 4½%. The resultant premium, estimated at $245,000, will be paid in cash at the time of exchange, out of sinking fund proceeds.

To Liquidate Sinking Fund

A feature or the plan is the liquidation of the city's present sinking fund, and it is from this that a large part of the saving is to be made. The city's own securities, totalling $6,630,927, held by the sinking fund are to be cancelled immediately. Other securities in the sinking fund totalling over $3 millions are to be liquidated over such a period.

The new debentures are to be redeemable through sinking fund operations. Payments received by the sinking fund trustees are to be used to purchase the new debentures in the open market, or by public or private tender, or in redeeming on any interest date such debentures as the trustees may choose by lot.

In establishing such lot it is to be the duty of the trustees to redeem new debentures in order of the maturity of old debentures which they replaced. The purpose of this is to redeem debentures issued to replace 1936 maturities first, 1937 next, and so on.

One of the proposed amendments is to make the new debentures callable at any time.

Debenture Debt

The capital indebtedness of the city at Dec. 31, 1935, exclusive of separate and public school boards, was $24,093,976. The sinking fund, however, held $6,630,927 of the city's debentures so that the total amount of new city debentures will be $17,463,148.

The plan contemplates the retirement of the entire debt of the city by 1962 compared with 1975 under the present schedule. The plan calls for equal annual installments of combined interest and principal for 25 years of approximately $1,195,000.

Adjustment of the $244,033 debenture debt of the public school board is the same as for the city's own debt. It is proposed, however, that the separate school debt of only $39,000 be left unchanged, because of the small amount involved.

Saving Equal to 12 Mills

The total saving to the city in 1937 under the plan is $672,991, debt charges under the plan being $1,244,469 as compared with present debt charges of $1,917,460. The saving is equivalent to 12 mills on the dollar of assessment.

Edmonton Plan

The Edmonton plan provides for issuance of new 30-year debentures, maturing Jan. 1, 1937, for all present debentures of the city, the public school and separate school boards outstanding in the hands of the public. These total $29,842,769.

As in the Calgary plan, it is proposed that these new debentures should bear the same rate of interest as the old debentures for which they were exchanged, except that debentures now bearing 7% and 6% would first be adjusted to a 4½% basis in the case of the city and 5½% in the case of the separate school board by payment in cash of the present value of the difference in interest.

The city's own debentures held in sinking fund, amounting to $6,234,507, are to be cancelled and $5,878,127 face value of other securities in the sinking fund liquidated, proceeds being used to buy in new debentures for cancellation.

Sinking fund provisions under the plan are similar to those for Calgary.

If the plan were adopted as proposed, it would mean a saving to the city in 1937 of $1,050,089, present debt charges being $2,795,481 and charges under the plan $1,745,392. The saving is equivalent to 20 mills on the dollar of assessment. As the sinking fund is liquidated there will be a further annual saving of $129,223.

Windsor Reports Improved Year

Important gains in almost every business and financial indicator are seen in the year-end compilation of facts and figures on Windsor compiled by the Chamber of Commerce. They are shown in the following tabulation:

	1936	1935
Long distance calls	224,969	179,142
Detroit & nearby calls	592,953	555,210
Passengers on S. W. & A. Rly.	8,431,055	8,268,544
Customs receipts .	$15,793,000	$14,938,318
Building permits .	$733,800	$720,329
Bank clearings ...	$142,249,058	$115,902,542
New pass. car sales	1,954	1,944
New truck sales ..	288	264
Bank debits (11 months)	$396,565,399	$249,995,809
Employment (Dec. 1):		
Automotive	13,015	11,269
Non-automotive .	5,738	5,245

We offer

$250,000

Province of Nova Scotia

3% Bonds

Due January 2, 1952
Payable in Canada

Price 99 and Interest
To Yield 3.08%

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MONTREAL TORONTO WINNIPEG

G. S. HOLMESTED
Licensed Trustee in Bankruptcy
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McKINNON BUILDING • TORONTO, ONT.

All of these Bonds having been sold, this advertisement appears as a matter of record only.

Refunding Issue

$500,000

Atlantic Utilities, Limited

First Mortgage Twenty-Year
4% Bonds, Series B

To be dated March 1st, 1937. To mature March 1st, 1957.

Principal and semi-annual interest (March 1st and September 1st) payable in lawful money of Canada in Halifax, Saint John, Montreal and Toronto. Coupon Bonds in denominations of $1,000, registerable as to principal only.
Trustee: Eastern Trust Company.

Price: Par and accrued interest

W. C. Pitfield & Company, Limited
MONTREAL
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STATEMENT OF ACCOUNTS, 31st DECEMBER, 1936
Converted at $5—£1

LIABILITIES

CURRENT, DEPOSIT AND OTHER ACCOUNTS, including Reserve for Income Tax and Contingencies and Balance of Profit and Loss	$2,089,433,247.66	
BALANCES IN ACCOUNT WITH SUBSIDIARY BANKS	58,258,834.68	
		$2,147,692,082.34
ACCEPTANCES AND ENDORSEMENTS, ETC., FOR ACCOUNT OF CUSTOMERS		46,330,753.31
PAID UP CAPITAL		79,291,085.00
RESERVE FUND		51,250,000.00
		$2,324,563,920.65

ASSETS

CASH IN HAND AND WITH THE BANK OF ENGLAND	$259,545,084.86
BALANCES WITH OTHER BRITISH BANKS AND CHEQUES IN COURSE OF COLLECTION	73,609,457.50
MONEY AT CALL AND SHORT NOTICE	131,594,000.00
BILLS DISCOUNTED	296,241,262.16
INVESTMENTS (including $500,117,821.85 Securities of or guaranteed by the British Gov't)	546,837,362.83
INVESTMENTS IN SUBSIDIARY BANKS (at cost, less amounts written off)	34,847,111.27
ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS	898,275,055.29
LIABILITY OF CUSTOMERS FOR ACCEPTANCES AND ENDORSEMENTS, ETC.	46,330,753.31
BANK PREMISES AND ADJOINING PROPERTIES (at cost, less amounts written off)	37,283,833.43
	$2,324,563,920.65

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STATEMENT OF ACCOUNTS, 30th SEPTEMBER, 1936
Converted at $5—£1

LIABILITIES

CURRENT, DEPOSIT AND OTHER ACCOUNTS, including Reserve for Income Tax and Contingencies and Balance of Profit and Loss	$484,962,521.85
NOTES IN CIRCULATION	4,651,944.79
ACCEPTANCES AND OTHER LIABILITIES ON ACCOUNT OF CUSTOMERS	24,734,241.93
PAID UP CAPITAL	24,877,500.00
RESERVE FUND	9,625,000.00
	$548,851,208.57

ASSETS

CASH IN HAND AND WITH BANKERS, AND GOLD BULLION	$127,573,218.97
MONEY AT CALL AND SHORT NOTICE	10,311,000.00
REMITTANCES IN TRANSIT	7,852,274.29
BILLS DISCOUNTED	65,511,437.16
INVESTMENTS	139,217,426.16
ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS	161,025,248.75
LIABILITY OF CUSTOMERS FOR ACCEPTANCES, ETC.	24,734,241.93
BANK PREMISES ACCOUNT	12,626,361.31
	$548,851,208.57

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Published by
THE MACLEAN PUBLISHING CO., LIMITED
481 University Ave., Toronto 2.
Founder and Chairman — John Bayne Maclean
President — Horace T. Hunter
Vice-President and General Manager—H. Victor Tyrrell

ADVERTISING RATES
Single insertion—$3.64 per inch.
Debenture and Dividend Notices—26c. per agate line.
Contract rates upon request.

SUBSCRIPTION PRICE
Canada, United States, Mexico, British Empire, $5 per year, all other countries, $6.

MONTREAL—Dominion Square Bldg., Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor

GREAT BRITAIN, London. Resident representative. J. K Ross-Duggan, Sun of Canada Bldg., 2, 3 and 4 Cockspur St., London S.W.1. Telegraphic Address, Atabek, Lesquare, London.

TORONTO, JANUARY 30, 1937

The Financial Post's Platform for Canada

1. *Balanced budgets.*
2. *Abolish politics in C. N. R.*
3. *Merit system in public service.*
4. *Freer foreign trade through Empire preferences and foreign treaties*
5. *Stable tariffs for balanced development.*
6. *Stricter laws to protect investors.*
7. *An even break for Canadian national newspapers and periodicals*
8. *A modernized constitution.*
9. *Integrity in meeting public obligations.*
10. *Wider markets for our farms.*

Gold Price as Sucker Bait

THE Globe and Mail, Toronto, has been publishing a number of articles suggesting that an early increase in the price of gold is hardly to be avoided.

A higher gold price would spur the Canadian mining industry to even greater achievements. But people who invest in gold mines have to be careful that their wishes do not become father to their thoughts.

Forecasts of further currency devaluation and higher gold prices ought to be weighed against many facts of importance in the present world situation.

Foreign gold is pouring into the United States. As rapidly as it arrives the federal monetary authorities take steps to "sterilize" it so as to prevent it from adding to the existing large supply of inflationary fuel. Raising the price of gold would make the job just twice as difficult.

The United States has recently raised bank reserve requirements by 50 per cent. In doing so, it is endeavoring to narrow the size of the inverted pyramid which can be built upon the present gold base.

Marriner Eccles, chairman of the Federal Reserve Board, long an advocate of controlled inflation, is now putting much more emphasis upon the control than upon the inflation. He and Roosevelt seem to be frankly worried lest the currency structure grows to fill the skeleton they have provided for it by dollar revaluation and other measures.

It is not likely that the United States will write down the price of gold but such action would be timelier under present circumstances than the reverse.

If a world war comes and the nations pile up an Ossia of debt upon the present Peleon of pressing obligations then inflation on a colossal and probably competitive scale may be expected as a means of confiscating capital to pay the bills. There are many tools of monetary management and of inflation and revaluing gold is one that might then be used. It all depends upon when the foolishness starts and how important gold is in the currency picture at the time it does start.

If the United States is not to take the initiative in raising the price of gold then there is only one other place whence the initiative may come. That is England, where a major effort to depreciate the pound is always possible. If Britain started a currency war the United States might take up the challenge and anything could happen. But Anglo-Saxon relations are getting better rather than worse and a war of currency depreciation between Britain and the United States seems a remote prospect.

When one deals with nations at war—on the battlefield and in the country houses—one is not dealing with something rational. But to the extent that common sense does enter into the present world monetary picture—and it seems to be getting a better foothold—there is no promise of an early increase in the price of gold. The simple reason is that all the inflation the world can stand can be had without touching gold.

A good deal of the talk to the contrary is just sucker bait.

Hoarding Idea Dies Hard

THE Western Producer of Saskatoon makes a lengthy attack on the Canadian Wheat Board, based on disclosure of the fact that the Wheat Board last July sold some 68,000,000 bushels of wheat. It seems to be the idea that the Wheat Board should have kept such wheat, to be sold later for a higher price.

The noteworthy thing about this criticism is that the Western Producer is owned by the Saskatchewan Wheat Pool, the organization which has been most clamorous to have all the wheat of Canada taken over for sale by a Government Wheat Board. Evidently having wheat handled by a Government board is no guarantee of its being handled satisfactorily to those who demand that procedure. And therein lies one of the most important political reasons why the Government should get out and stay out of the wheat business. There are, of course, much more important business reasons.

But it is clear that no politician need hope that he will do himself good by trying to keep the Government in the wheat market. He will not satisfy people, but rather create more dissatisfaction.

As to the substance of the criticism, it hardly needs reply. It would not have been possible to hold over an additional 68,000,000 bushels of wheat from last July, and sell it now for the prices currently prevailing, which it must be assumed from the criticism in question would have been the course approved by the Western Producer. It is because so large a part of our surplus wheat has been sold, and has moved into consumption that the remaining reduced supply commands a substantial price at the moment.

But it is evident that in certain circles in the West the belief in hoarding wheat dies hard.

Beer War Makes History

THE Opium War is an episode in British history in which Britons do not take much pride. Perhaps the Beer War which is now in full swing among the provinces of Canada will occupy a similar place in the history of this country.

Premier Bracken of Manitoba has come out with a statement frankly recognizing the war-like character of Manitoba's present beer policy. Recently the provincial liquor commission decreed that beer from outside the province might be sold in provincial liquor dispensaries and in licensed beer parlors only at a price five cents a bottle greater than charged for the provincial product. At once he was attacked for abandoning the free trade principles of the West, and there were threats of desertion on the part of some of his supporters. He now defends the action as resulting from the discrimination practised by other provinces against Manitoba beer.

The Premier announces, in belligerent mood:

> "On the relative merits of some form of retaliation as against submission to unfair practices of others, the Legislature will have a chance to express itself. If the members wish to go on record as saying that other provinces may exclude our trade from within their boundaries, but that Manitoba may not interfere with their trade within our boundaries—a decision I cannot conceive any Legislature with any sense of responsibility ever making—we would not, under the circumstances that exist at present, refuse to accept even that improbable decision."

The beer now practically shut out by Manitoba came principally from Ontario and Quebec. But the soreness in Manitoba against beer policies of other provinces is mainly directed against Saskatchewan. Manitoba brewers, a published statement declares, formerly did a business of $1,200,000 annually in the province to the west. This has been almost completely wiped out by Saskatchewan's protectionist beer policy.

Constitutional lawyers in different provinces are hard at work on the problem. The provinces are forbidden to erect provincial trade barriers. May they do indirectly, through their control of liquor stores, what they may not do directly? No doubt in due course the Privy Council will be called on to pronounce judgment. But in the meantime the ugly word "retaliation" has cropped up, expressing an idea that ought not to exist in connection with relations between different parts of the country or different governments in Canada.

At least we have an object lesson as to how troubles may start between different states, and also one as to how quickly free trade sentiment may give way to protectionist ideas.

Keeping Our Wealth at Home

THE Port Arthur News-Chronicle does not like the idea of money earned in Canada leaving the country. It refers to the recent list published in The Financial Post of wealthy Canadians who have gone abroad to live, in some cases to escape onerous taxation.

The Port Arthur newspaper quotes a member of the Ontario Government as having said unofficially some time ago:

> "If I had my way, I would confiscate their wealth so that it could not follow them outside the country."

Whether it is a director's money that is taken abroad or a workingman's wages that are sent abroad the money does no good to Canada, the paper thinks. It adds:

> "Wealth produced in Canada should be used to the benefit of Canada. If the directors and the workmen spent their money here it would add greatly to the sum total of employment and prosperity."

Of course, the first thought that comes to mind in a discussion of this kind is that for every $1 of Canadian capital invested abroad there is $6 of foreign money invested here. Canada has not done badly in the interchange of capital investment.

The Port Arthur paper thinks that the inclination to send money abroad might be changed by treatment more likely to be considered as fair or by a form of compulsion.

So long as we are a capital importing country we will have to be exceedingly careful not to impose restrictions on the export of capital that might invite retaliation from other countries.

The argument at the moment gets down to one class of citizen: the wealthy citizen who makes a fortune in Canada and then goes to another country to live, where mayhap the climate is more salubrious or the taxes lower.

There are a dozen different ways he could be taxed on leaving. One does not have to study any one of these ways very long to see that the injury we would do ourselves by such taxes might easily offset the benefits.

If we want our wealthy people to remain here, both as citizens and investors, the best way to do it is to treat them fairly.

History Is No Passing Sensation

THERE seems to be a disposition in some quarters to write "finis" to the episode of the abdication of King Edward VIII; to decry any further discussion of that affair.

That sort of attitude can be taken toward a briefly sensational news event such as the death of Floyd Collins, the Birchall murder or the Harry Stevens Reconstruction party. These things made news but they did not make history.

The abdication of King Edward VIII created constitutional problems and precedents of the first magnitude which will continue to be discussed by statesmen and scholars for decades to come. It would be well if they were discussed, too, by businessmen and other ordinary people.

The abdication subjected the monarchial system of Britain and the Dominions to a test, the final results of which will not be known for many years.

It brought to bear upon the relations of British countries, even of all Anglo-Saxon countries, new influences which will not have spent their force in a generation.

This was no passing melodrama; no mere topic of the day. It was history in the making; and history as important to business and finance as to politics and law.

There are newspapers which urge that the constitutional crisis be put in a filing cabinet and left to gather dust. It cannot be done. News is news and history is history. Neither can be left unwritten.

As The Financial Post and other MacLean publications are able to present further enlightening material from authoritative sources, on the constitutional crisis, material of the type recently put on record in the notably revealing article by Beverley Baxter, they will present it. Any affair that touches the stability of Empire institutions demands more than passing attention.

One cannot learn all there is to know about Edward VIII's abdication by looking at his figure in the waxworks.

Editorials in Brief

"When you buy foreign-made goods, you are cutting your own pay. Don't chisel on yourself."—*The Labor Leader, Toronto.*

Overseas buyers of Canadian flour, automobiles, electrical machinery, stoves and leather, please note.

* * *

An Ontario Supreme Court justice, in a judgment just issued, makes reference to evidence of the "late" Major Clifford Sifton. It would be hard to find anyone more alive and on the job than the "late" Major Sifton.

* * *

The Toronto Star suggests that instead of writing on the King's abdication Beverley Baxter should have gone to look at the waxworks.

We have often wondered where the Star dug up some of the material it publishes as news.

* * *

J. H. Blackmore, M.P., Social Credit leader in Parliament, thinks he has discovered that Sir Norman Angell's articles in The Financial Post were an argument for printing press money of the Aberhartian variety.

He would probably take Il Duce's Sunday speeches as pleas for peace.

* * *

"Canadian Premier Acts to Block Payments on Power Act Claims," says a headline in the Wall Street Journal. The reference concerned the Ontario power repudiation, and to Mr. Hepburn, not to Mr. King. But the instance illustrates how the Ontario repudiation hurts not only one province but the Dominion of Canada as a whole.

* * *

The bill that Attorney-General Roebuck is putting through the Ontario Legislature, removing Ontario's publicly owned power enterprise from the jurisdicton of the courts of justice is disgraceful. It is deplorable. It is unpatriotic. It is contrary to liberal principles. It is subversive of freedom. It is cowardly. It is dishonest.

This we gather from the stirring attack the Globe and Mail, Toronto, has opened up on it.

To all of which we say, "Attaboy, Globe and Mail. Go to it!"

* * *

In the House of Commons as in the Senate the address to the throne was seconded by a French-Canadian. C. J. Veniot, a young M.P. from New Brunswick, was given the assignment in the lower house and Hon. George Parent, a veteran, seconded the reply in the upper house. Both spoke with courage and vigor and gave evidence of the broad and enlightened viewpoint of French-Canadian leaders of opinion today.

Mr. Veniot made a most spirited plea for the nation to end the racketeering in relief that is sapping our manhood and our finances. He backed up his argument with an example of the splendid success achieved by his own town, Bathurst, in putting an end to the "dole."

Senator Parent expressed the willingness of French Canada to bear its fair share of any necessary burden that may rest upon the country in looking after those areas that have been hit by calamity. It was French Canada's tribute to the drought areas of the West.

Such addresses make the task of nation-building an easier and pleasanter one.

Sayings of the Week

"Canada is not equipped even to maintain neutrality."—*Rt. Hon. R. B. Bennett.*

* * *

"Prosperity already tests the persistence of our progressive purpose."—*Franklin D. Roosevelt.*

* * *

"The funding of deficits is the surest possible way to bankruptcy."—*Thomas Bradshaw.*

* * *

"The worst enemy of capitalism is capitalism.—Capitalism can be carried on for the benefit of the masses."—*Dr. Harry E. Barnes.*

* * *

"I almost wish we could get back to horses and buggies, candlelight, overcoats that lasted ten years and a dress suit bought once in a lifetime."—*Stephen Leacock.*

* * *

"I do not believe that we shall ever find any system of conducting society except to leave men free to seek the form of profit which attracts them."—*Sir Edward Beatty.*

* * *

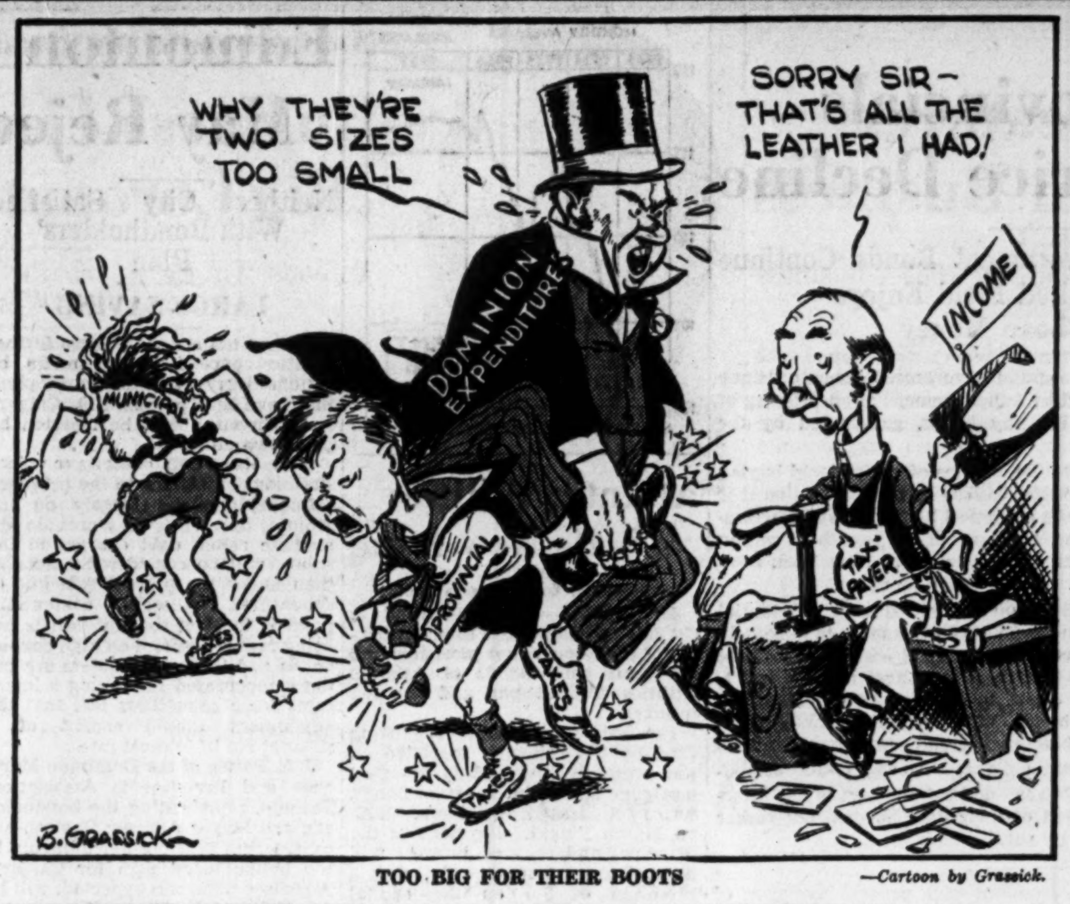
"Houdini used to take rabbits out of his hat, but he never made his living by selling the rabbits."—*R. J. Deachman, M.P., speaking on Social Credit in the Ottawa House.*

* * *

"The truth is that every man you meet thinks himself superior to you in some way and a sure way to his heart is to let him realize that you recognize his importance."—*Dale Carnegie.*

* * *

"Once the court has determined the act is within the competence of the legislature, arguments founded upon injustice or hardship can have no weight."—*Chief Justice N. W. Rowell.*


WHY THEY'RE TWO SIZES TOO SMALL
SORRY SIR – THAT'S ALL THE LEATHER I HAD!
DOMINION EXPENDITURES
MUNICIPAL
PROVINCIAL
TAXES
INCOME
TAX PAYER
B. GRASSICK

TOO BIG FOR THEIR BOOTS —*Cartoon by Grassick.*

Is Relief a Racket?

By C. J. VENIOT, M.P.,

for Gloucester, New Brunswick. Briefed from an address in the House of Commons

In spite of a marked improvement in economic conditions throughout the whole country, unemployment continues to be Canada's major problem. We must ask ourselves the reason for this surprising paradox of unemployment in the face of such rapid economic progress. No matter how laudable was the intention of those who initiated direct relief as a means of helping the unemployed on this continent in 1930, direct relief is today considered by the leaders of thought in Canada, and especially in New Brunswick, where we are making use of every endeavor to bring direct relief to an end, as one of the greatest economic and sociological fallacies of the century.

Horace Greeley aptly said: "The darkest hour in any man's life is when he sits down to plan how to get money without earning it."

Commenting on this statement, the editor of one of America's largest magazines adds: "And the darkest hour in the life of any government is when it plans to pay him on these terms."

Leads to Demoralization

Lord Dawson, the King's physician, and one of our distinguished guests, was asked his opinion on the dole in England as a relief measure for unemployment. He expressed himself as follows:

"The dole was the greatest calamity that hit England since the world war. It made of our laborers liars, perjurers, thieves and lazy men, from which state of demoralization it will take England a generation to recover."

It was the consideration and recognition of the basic principles just mentioned that prompted my home town of Bathurst in 1933 to discontinue direct relief or the dole as a means of taking care of its so-called unemployed; and the Government of New Brunswick at the present time, inspired by its leader, Premier Dysart, and members of the Cabinet, is putting forth all its efforts to suppress direct relief and the dole as rapidly as possible. I said "so-called" unemployed. We in Bathurst discovered that direct relief was being made a racket, and that fully 90% of those who were asking for assistance were not entitled to it, 1,200 out of a population of 3,360 of our people being on direct relief. On Jan. 1 of that year we voted out direct relief and adopted the slogan "no work, no bread" from the town of Bathurst. If any unemployed asking for assistance refused to work, we refused to give him bread at the expense of the taxpayer. We separated ourselves from both provincial and federal governments as far as direct relief funds were concerned.

Town's Courageous Effort

In order to overcome the objection to using direct relief funds for the payment of wages, we carried on by ourselves, out of our own resources, giving our people work such as shovelling snow, hauling gravel—anything so long as we made them work, paying them 20 cents an hour for ten hours a day five or six days a week. Our relief problem ceased overnight, so to speak. We saved $10,000 a year for the town of Bathurst, and an equal sum for each of the provincial and federal governments.

Our insistence on some return, some personal effort, some show of goodwill from all who asked for assistance, instead of allowing them to wallow in idleness, soon reduced our municipal relief load to the near-zero mark, because the unemployed man was forced to reason the matter out for himself in this way: "If the town forces me to work 40-odd hours a week anyway, I might as well work on my own hook and do better for myself." Thenceforth our men found ways and means of standing on their own feet and becoming self-supporting. Since that time, we have not had a single man on relief. We have only the ordinary indigents, the maimed and sick that we always have had and always will have with us.

If our governing bodies expect to pull out of this morass of unemployment, our only hope lies in getting people back to work consciousness, compelling them to give some personal return for the assistance they receive, by cutting out this panhandling, this racketeering, this subsidizing of idleness, this sponging on the public treasury, on which so many persons have existed dishonestly for the last five or six years.

One Final Step Yet

It is toward this goal, no doubt, that the National Employment Commission is directing its best effort. It has already accomplished very much through its home improvement plan, through its farm unemployment plan, through its classification of the unemployed into various categories. But there remains one final step to take, and that is to abolish the greatest enemy of true labor by suppressing as far as possible direct relief, state-supported charity, the subsidizing of idleness, and to replace it by instilling into the minds of our people work consciousness instead of dole consciousness.

This we must do before we can correct the astonishing paradox of prosperity almost equal to that of 1929 running parallel with unemployment of still alarming proportions.

As Others See Us . . . . .

Swindlers on Rampage

St. Catharines Standard

The greatest year in history in legitimate mining development is predicted for 1937, and yet there is a condition reported which proves a pernicious factor in making for an unhealthy market condition in which the gullible public will take its loss. The Financial Post this week declares that swindlers are on the rampage in Ontario, high-pressure salesmanship is the order of the day, there are front men for whom offices are labelled and crooks inside. It is a sordid story.

There is plenty of money in Canada to be placed in legitimate mining enterprise through honest channels, but if the public is gypped, what is needed for the mining industry will freeze up, and the industry will be retarded in its expansion. That is the shame of permitting crooks to operate. The exposure by The Financial Post cannot be taken lightly. That paper stands on guard where the average daily newspaper cannot in respect to the condition reported. And the investing public cannot be warned too often. There are reliable brokerage firms, and bank managers are highly trustworthy for advice; people in doubt should make use of these sources of information, and not trust to the glib tongue of the denizen of the proverbial boiler-shop.

Wanted: Debt Refunding Plan

Quebec Chronicle-Telegraph

The Financial Post is not an alarmist sheet nor has it in the past been unduly sympathetic with Western demands upon the Federal Treasury, When that publication urges, then, that "the financial problems of the Western Provinces and municipalities form a matter of the greatest urgency" and declares that there is "need for an immediate policy of financial action to save the West from destructive radicalism," it is at least desirable to "stop, look and listen."

The Post explains that "Provincial Cabinet Ministers are becoming increasingly restless under their financial burdens"; that "Both Premier Bracken and Premier Paterson are facing a rising tide of discontent"; and that it is impelling them to "consider whether it is more expedient for them to swing moderately to the Left themselves or be swept aside entirely in a victory of Leftist forces."

What the Toronto financial paper advocates is the production of "a rational, orderly plan of debt refunding for the West" and it suggests that Ottawa can help Premier Aberhart of Alberta "to decide to go the way of sanity for the sake of reconstruction." Ottawa, of course, has done a great deal for the West, even during the last six months, and one could wish that public opinion there was more appreciative of the fact.

At the same time the Dominion Government has helped the West hitherto because it recognized that it was necessary to do so, regardless of whether the West deserved to be helped or not. And if the necessity still exists, Ottawa will have to go on helping, whether it does so with enthusiasm or not. This is because the Dominion cannot prosper nor can its credit be kept high, if three provinces are in financial straits.

Whatever is to be done must be done quickly, it seems, or there may be a still worse mess to straighten up, if Manitoba and Saskatchewan follow Alberta along uncharted trails of radical legislation. Australia once was confronted with a similar problem and solved it. Therefore it should not be beyond the resources of Canadian statesmanship to find such a plan as that which The Financial Post calls for, if once our national leaders set themselves seriously to the task.

Other People's Views

Owners of Canada

Canadian Comment

Six million persons in Canada have passed their 20th birthday, and of these nearly 5,000,000 have deposits in banks, which altogether pile up to $2,000,000,000. Three and a half million Canadians carry $6,000,000,000 of insurance. Four fifths of the farms in Canada are owned by the people who work them, and more than four fifths of the storekeepers own and operate their retail shops.

Wholly Untrue?

Calgary Herald

Mr. Aberhart bellves that it is "absolutely unfair and wholly untrue" to suggest that there is a division in the ranks of his party. Would he say it was wholly untrue that on Sept. 1 a large group of Social Credit members in the House, led by Hon. Lucien Maynard, voted down the Government on its Debt Reduction legislation?

The fact is that with the aid of these insurgent members Mr. Maynard forced the Government to make major changes in one of the most important bills it has ever introduced. Mr. Aberhart behaved at the time as if he did not know what had happened. In the light of a recent statement, we wonder if he knows yet.

Quebec Not Separatist

Le Canada, Montreal

The Province of Quebec is not separatist. Those who sow disunion in Canada must in any case seek material and moral support elsewhere than in the bosom of the two great political parties.

That is the assurance which we have since Mr. Maurice Duplessis, Prime Minister of the province, and Mr. Godbout, leader of the Liberal party, expressed views held in common on the harmony which should reign between all races and classes in Canada . . .

The inhabitants of the same country are like passengers in the same boat. When the tempest rages they do not divide themselves into two camps, brunettes and blondes, each pulling for his own side to the common danger. As concerns separatism properly so-called, it does it too much honor even to refer to it . . .

Separatism was never anything more here than the toy of a handful of beardless show-offs. If anybody designs to talk about them, it is not because they have had any weight in public opinion.

Canada's Problems

By JOHN R. LAMB,

President of the Bank of Toronto, at Annual Meeting

Looking around us at this time, we are inclined to ask ourselves what are the difficulties still in the way of full and sustained recovery? We would name them in the following order:—

1. Our heavy public debts with consequent onerous taxation;

2. The cost of government, for which the wide extent of the areas within our borders is partly responsible;

3. A population relatively small in proportion to territory occupied;

4. Our annually recurring railway deficit.

We should name, also, trade barriers in the form of import duties, quotas, and depreciated currencies, which are still so considerable as to make it impossible for foreign trade to reach the level which is needed for a full measure of prosperity in Canada.

Patching Up Germany

Weekly Letter of Nathan and Rosselli, London, Eng., Stock Brokers

How constructive a part Germany and Italy are to play in international affairs remains as doubtful as ever. Signor Mussolini has latterly once more given expression to his favorite idea that olive branches grow on bayonets. A good many of the Signor's startling phrases are getting a little hackneyed.

Herr Hitler is as disappointing as ever, either because he is not really master in his own house or because he does not understand what he is talking about. A well-written book published recently set out to prove that Marshal Hindenberg was a wooden titan. One is tempted to believe that wooden titanism is a widespread disease. In 1935 Herr Hitler had given a few indications of the possession of liberal ideas, but 1936 had not been long under way before Germany presented to the world another denunciation of treaties—as if her fame in that direction were not already sufficient. She accompanied her unilateral denunciation of the Locarno Treaties by marching into the Rhineland. Happily no European conflict resulted from this clumsy act.

What Germany gained by her action is not clear. She claims to have gained self-respect. But what Germany wants is the respect of other nations. Certainly there was no increase of prosperity. Indeed, nearly six months later we find the German Government declaring that if Nazism is not to be confounded by its enemies, hens must lay larger and more numerous eggs, rabbits must be more furry and more goats must be seen on the landscape. These declarations form part of the four-year plan which Herr Hitler proudly brought to the Nuremburg Congress in September last. This plan is to make Germany still more independent of imported raw materials.

Many well-informed people believe that the Nazi economic system cannot be patched up for much longer. Nevertheless, a sudden collapse of the system would be dangerous to countries other than Germany. Hence, the endeavors to assist Germany by barter and in any way which does not involve the providing of her with money. Excluding the possibility of Nazidom endeavoring to assuage its mortal pains by dragging other nations into the pit, the international political outlook is no worse than a year ago and is probably better, notwithstanding the Spanish conflict.

Repudiation of Courts

The Globe and Mail, Toronto

The judiciary is an integral part of government, interpreting and enforcing laws which the legislative branch makes and the executive administers. Destroy it and we have left either chaos or dictatorship. If a government can declare civil rights on one particular exempt from its authority, another government can extend this to other activities.

Public interests are safer in the hands of an honest judiciary than with a set of politicians influenced by expediency.

The amendment to the Power Commission Act relieving the Provincial Commission of all processes of law following a judgment or court order means, apparently, that Hydro will not be required to pay its bills.

Are we to conclude from this amendment to the Power Commission Act that Hydro has done something or may do something in contravention of the law and does not wish to be brought to book?

Why cannot Hydro stand up like the average honest citizen, defend itself or take its medicine?

The integrity of the judiciary must not be destroyed to gratify political ambitions. The system of British justice must not be dragged in the mud even for such a fine institution as Ontario Hydro. This province must not become infamous as a repudiator of the courts.

Post-Scripts

Not "Sweated" Labor

MAJOR HOOPLE, of cartoon fame, has few rivals in thinking up "soft jobs." However, we doubt if the Major ever thought of applying for the post of scrutineer at the annual meeting of the Royal Bank of Canada. At the suggestion of the Chair, it is customary to cast one vote for the election of directors. Even the Major couldn't complain about overwork in scrutinizing one vote.

Simple Arithmetic

IN ONTARIO this year they have a new system for numbering automobile license plates. The letter of the alphabet comes in between the digits so that the numbers read "14-C-50" or "9-A-39," etc.

There will be some unusual coincidences which the motor car registrars can hardly hope to avoid. For instance, they played a rather mean trick on one of Canada's great bankers.

We saw this bank president get out of his car the other day. The license number was "1-X-2."

Surely a man who deals in millions is entitled to a more difficult mathematical problem to put on his car than "one times two."

Folks in Finance

J. R. Lamb's Telescope

A FEW years ago we looked backward at the addresses delivered at the annual meetings of Canadian financial institutions in the early months of 1929. Our purpose was to discover which of our banking and business leaders had been most positive in forewarning Canadians of the impending crash.

It was difficult to decide because bankers in particular speak conservatively. One sometimes has to read between the lines to find the full force of their meaning. But we were impressed by the foresightedness of the late W. G. Gooderham, president of the Bank of Toronto. Checking both over a period of 70 years we discovered that the Gooderhams, who headed the bank for so long, were always pretty frank in telling what they thought they saw ahead on the business horizon. They were usually right.

All this came to mind again on reading the address of John R. Lamb, today's president of the bank, at the annual meeting. At a time when many people are still wrapped in the gloom of depression we found him saying:

> "It appears that from now on the real problem will be to keep activity within healthy and constructive channels rather than have the movement dissipated in a boom based on artificial conditions."

Which is pretty astute counsel, based on admirable foresight.

Stop Me If You've Heard This One . .

A lawyer hunted up Mike atop a partly finished construction job.

"What do you want?" yelled Mike from the roof.

"Come on down. Your uncle has died and left you $25,000."

A long silence above was broken by a wild commotion.

"What's keeping you?" yelled the lawyer, staring up. Though he could see nothing, he heard plenty.

"Give me one more minute to finish this foreman," came Mike's reply.

Week in Business

Strike New Features Week in Business

Agricultural Prospects Reviewed For 1937—Business Trends Forecast

Strike news played an important part in the week's news—some good and some bad. At Asbestos, Que., the mine and plant of Johns-Manville Co. was completely tied up by a walk-out affecting 1,150 men. The difficulty arises from a request dated Jan. 5 from the National Catholic Syndicate for a minimum wage of 33½ cents per hour and a revised wage schedule. Decision was due in two weeks but when no announcement was forthcoming (due, it is said, to a company executive consulting his New York principals) the men walked out—without the sanction of the National Catholic Syndicate.

In Northern Ontario, 2,500 lumberjacks resumed work after an 18-day strike. An agreement was reached covering a $6 wage increase to $37.50 per month. At Welland, the 700 employees of Empire Cotton Mills turned down company proposals after secret ballot. The men have been on strike now for five weeks seeking a 20% increase in wages. At Vancouver negotiations are continuing in the strike of Burns & Co. employees around the principle of collective bargaining. Incidentally that port has just recorded an all-time tonnage record for 1936 with a 30% gain over 1935, due largely to the effects of the longshoremen strike in U. S. Pacific ports.

At Oshawa and other Canadian plants of General Motors, hopes are still held out that in some way materials can be obtained from U. S. plants to prevent the complete shutdown that seems otherwise inevitable at around the month-end.

* * * *

Agricultural Outlook for 1937

Ottawa has issued its estimate of the agricultural outlook for 1937. This is the fourth of its kind to be made and follows closely a plan instituted many years ago in the United States whereby current trends in agricultural production and marketing are interpreted so as to give maximum aid to farmers in the forthcoming season.

Apart from detailed reviews for individual crops, the Bureau estimates farm income for the first six months of 1937 will be higher than in 1936. Mentioned specifically are returns from spring, durum and fall wheat, and barley. "Dairy farmers may expect higher gross cash income for 1937 despite probability of fewer milk cows and higher feed costs," it says. Potato returns are placed higher due to higher prices in the domestic market and improved export prospects, while apple returns (except in Nova Scotia) are expected to be about the same or slightly lower. Livestock returns will not differ greatly while poultry income is placed equal or slightly higher than the 1936 level.

* * * *

Business Trends

Recently Guaranty Trust Co. (New York) asked a select group of business firms their views on the probable trend of prices, wages and other factors in the business situation. In brief the weight of opinion was that for the U. S. a general rise in values is in prospect including wages as well as prices of raw materials and manufactured products. They also foresaw shortage in some raw material markets and delayed deliveries in others.

The enquiry was made prior to the automotive strike but it revealed a possible serious weakness in the business prospect in regard to labor outlook. In this respect the survey states: "No other single factor, with the exception of war, seems capable of working such destructive effects in the near future as possible labor disturbances of major proportions."

Favorable

Carloadings rose to the highest point since 1930 and continued the strong trend of recent months.

Plank and Board Exports continued at a high rate, bringing the 12-month total into new high ground.

Imports rose substantially in December, bringing the total for the year to the highest figure since 1930.

Business Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA — Latest		—Cumulative Total— Jan. 1 to date	
Transportation—	1937	1936	1937	1936
Carloadings (Jan. 16)	▲47,289	40,221	92,294	74,679
C.N.R. gross earn. (Jan. 21)	$ ▲3,295,352	$ 2,923,198	$ 9,459,956	$ 8,540,217
C.P.R. gross earn. (Jan. 21)	$ ▲2,371,000	$ 2,168,000	$ 7,122,000	$ 6,221,000
Business Conditions—				
Weekly index D.B.S. (Jan 16)	▲120.5	104.5	......	......
MONTHLY DATA				
Business Conditions	1936	1935	1936	1935
Financial Post index (Dec.)	118.2	108.0	......	......
Transportation—				
C.P.R. net revenue (Nov.)	$ 3,536,651	$ 3,455,408	$ 19,769,303	$ 19,091,510
C.N.R. net revenue (Nov.)	$ 2,383,271	$ 2,329,155	$ 12,227,251	$ 12,091,780
Iron and Steel (December)—				
Pig iron production (tons)	▲68,499	70,647	678,672	599,875
Steel ingots and castings prod (tons)	▲103,952	98,888	1,114,550	941,527
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (Nov.)	5,373	5,201	84,620	77,998
Factory output (Nov.)	10,086	12,042	114,766	128,374
Trucks and Buses:				
Domestic sales* (Nov.)	618	814	19,417	17,377
Factory output (Nov.)	726	1,454	27,145	30,848
Exports (Nov.)	5,161	5,601	51,860	59,021
Construction—				
Building permits (Dec.)	$ 3,225,274	$ 2,401,856	$ 39 809,442	$ 46,560,623
Contracts awarded (Dec.)	$ 6,118,800	$ 4,364,900	$ 162,588,000	$ 160,305,000
Newsprint (tons)—				
Production (Dec.)	▲289,312	244,732	3,179,914	2,752,715
Exports; tons (Dec.)	▲286,232	277,837	2,993,082	2,575,081
Sugar (lb.)—				
Melting & sales§ (raw)	98,015,822	97,102,444	881,511,909	813,173,926
Manufactured§	157,483,110	137,439,534	959,927,834	891,945,739
Flour (bbls.)—				
Production (Nov.)	1,459,388	1,603,803	13,867,478	13,251,583
Wheat flour exports (Dec.)	475,282	443,828	4,850,071	4,881,017
Trade—				
Retail trade (index no. of sales) (November)	76.6	72.5	......	......
Imports (December)	$ ▲52,996,494	$ 38,569,182	$ 635,190,844	$ 550,314,551
Exports (December)	$ ▲99,406,665	$ 79,244,502	$1 027,901,934	$ 838,343,059
Wheat exports (bush.) (Dec.)	▲20,427,916	17,043,882	243,041,530	165,672,671
Employment. D.B.S. Index (Dec. 1)—				
All industries	110.1	104.6	......	......
Manufacturing (Nov. 1)	107.7	103.5	......	......
Electric Power Output (Dec.)—				
Total monthly m.k.h. (000's omitted)	▲2,324,915	2,156,525	25,493,474	23,404,412
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (December)	▲184,104	111,523	1,680,397	1,339,733
Boot & shoe prod., pr. (Nov.)	1,602,330	1,706,149	20,348,589	20,146,700
Crude petrol., imp. gal. (Dec.)	▲60,569,143	55,639,590	1,244,663,276	1,174,794,086
Cotton imports, lb. (Dec.)	▲20,842,725	22,186,866	150,287,167	129,615,395
Raw rubber imp., lb. (Dec.)	▲2,673,053	5,745,825	62,821,760	60,189,265
Coal imports tons (Nov.)	1,598,094	1,360,058	12,637,744	12,205,440
Cigarette cons., (Dec.) No.†	435,425	461,468	5,600,448	5,305,369
Finance—				
Bank debits (Nov.)†	$ 3,302,562	$ 3,021,511	$ 32,524,015	$ 28,613,763
Bond sales (Dec.)	$ 94,927,250	$ 119,929,500	$1,296,496,437	$ 985,145,390
Life insurance sales (Dec.)	$ ▲36 904,000	$ 36,550,000	$ 376,885,000	$ 369,386,000
Automobile Financing (Dec.)—				
Used cars	$ ▲1,314,568	$ 942,024	$ 24,482,159	$ 17,931,608
New cars	$ ▲2,214,043	$ 1,285,656	$ 29,726,841	$ 22,410,656

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to November 30.

"Power" Securities

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FACTOR

A. S. Bring, formerly vice-president and managing director of Canadian Factors Corp. Ltd., who heads the new factoring firm of James Talcott of Canada Ltd., as president and managing director. In association with James Talcott Inc., of New York.

View Labor Chief Problem Facing U. S.

Prices, Wages, Inventories and Cost Factors Reviewed

The recent marked expansion in business in the United States has raised numerous questions regarding the probable future course of prices, wages, and other factors in the business situation.

Possible answers to some of these questions are suggested by the results of an enquiry recently sent out by Guaranty Trust Co. of New York to a selected group of business concerns.

The enquiry was sent to concerns engaged in the production and distribution of food products, textiles and clothing, leather and shoes, metals, hardware, chemicals and fertilizers, paper and paper products, and machinery and other producers' goods. In all, 51 replies were received. While not all replied to every question, the more important queries were answered, for the most part, carefully and completely.

The results can, perhaps, be most clearly presented by stating the questions separately, with a summary of the replies received to each.

Price Levels

1. Do you anticipate a necessity of raising your own price levels in the near future?

Of 47 concerns answering this question directly, 33 say without reservation that they will have to raise prices, while 10 others agree but qualify their replies by saying that certain products will rise in price, while others will not. Among these 10 are a few who have anticipated their needs and consequently do not face an immediate necessity of raising their prices. Two of the 10 concede the need for higher prices but say that competition will, for the time being, prevent them from taking action. Only four believe that they will not have to raise prices.

1(a). Will higher prices be necessitated by a rise in prices of your raw materials?

There are 36 direct replies to this question, of which 32 say that the prices of raw materials will be higher. Two others agree but have anticipated these higher costs. The remaining two do not anticipate a rise in costs of raw materials.

Labor Costs

1(b). Will higher prices be necessitated by a rise in labor costs.

Of 33 replies, 28 indicate an expectation of higher labor costs, while five do not.

1(c). Do you anticipate delay in deliveries of materials to you or from you?

In considering the replies to this question, due allowance must be made for the influence of the maritime strike on the Pacific Coast. In all, 32 believe that there will be delays in deliveries of goods either to them or from them. Of this group, four believe that there will be a delay in incoming goods but not in outgoing goods, while three expect the reverse. Of the 32, 12 on the Pacific Coast say that there will be a delay in deliveries because of the strike, while 13 not on the Pacific Coast foresee a delay in deliveries for other reasons. Twelve believe that there will be no delay in deliveries.

Raw Material Shortage

2. Is there a shortage of inventory in your raw material market?

Thirteen state unqualifiedly that there will be such a shortage. Twelve say that there is a shortage in some goods but not in others. Eleven see no shortage in raw materials, but of this group five are concerns whose materials come from the ground or whose businesses are subject to unusual influences that act as a deterrent to a shortage.

Speculative Buying

3. Are there indications of speculative tendencies on the part of your customers?

Ten observe definite speculative tendencies; six believe that such tendencies are not yet evident but may appear, and some of these admit that there is some anticipatory buying. Fifteen believe that no speculative tendencies are evident. A few, while hesitating to describe existing tendencies as speculative, admit that their customers are supplying their requirements further ahead than has been customary in the recent past.

Low Inventories

4. What is the inventory situation in retail and wholesale outlets for your goods?

Nineteen believe that inventories are low or in a healthy condition. Of these, two say that wholesale stocks are much lower, while retail stocks are about the same. The maritime strike has, of course, been the principal factor influencing stocks in the Pacific Coast sector. In two other cases the nature of the business makes it unnecessary for either the wholesaler or the retailer to carry large stocks. Thirteen believe that stocks are normal or slightly above.

Labor Problems

5. Do you anticipate stability as regards labor problems?

Eighteen believe that there will be labor difficulties. Fourteen believe either that there will be no difficulties or that they will not be serious.

Summary

"By way of summary, the weight of opinion among the firms responding to the enquiry seems to be that a general rise in values is in prospect, including wages as well as prices of raw materials and manufactured products. There is also a likelihood of shortages in some raw material markets and of delayed deliveries of some raw materials and manufactured goods. The outlook in this respect, however, may be expected to improve with the end of the maritime strike on the Pacific Coast. (The enquiry was made prior to the outbreak of the strike in the automobile industry.) Despite the expectation of higher prices and shortages, there is noted by those companies that expressed opinions no general tendency toward speculative buying, although such a tendency has developed in certain lines. Inventories of manufactured goods are generally moderate. Labor difficulties are feared in a small majority of cases.

"The general picture presented by this limited sample of business opinion is fairly typical of the situation that ordinarily exists during the earlier stages of a period of business expansion. Conditions are mainly favorable, except in cases where special obstacles are present or where some branches have not yet become adjusted to the accelerated tempo of business. The unsound features that commonly appear in latter stages of expansion have not yet had time to develop, or at any rate to become general.

"The only serious weakness suggested by the reports is in the labor outlook. To a certain extent, this also is typical of periods of business recovery. In the present instance, however, the results of the enquiry merely tend to confirm indications from other sources of an exceptionally widespread feeling of unrest in labor circles. It is possible that this apparent feeling may be more largely due to the policies of labor leaders than to sentiment among the rank and file of workers. At any rate, no other single factor, with the exception of war, seems capable of working such destructive effects in the near future as possible labor disturbances of major proportions; and it is to be hoped, for the sake of labor as well as of other groups, that these can be avoided."

Background of Business

Business Firms Plan Big Coronation Display

Millions To Be Spent for Decorations — Empire Shopping Week Planned

Millions of dollars will be spent in Canada on May 12 for Coronation decorations. Firms who contract to do this work tell The Financial Post they are already literally flooded with requests for prices, estimates and actual orders. Indications now are that these decorations will be on a scale not seen in Canada for a generation.

One element in the demand is the fact that returning prosperity has given firms a little more leeway in respect of this type of expenditure. Thus the celebration is well timed and will be far more lavishly observed than would have been the case a year or two ago.

* * *

Await Statement

A new factor of importance is lighting. New materials and effects not previously available will be used to a substantial degree. Other materials in great demand are bunting, flags, enamelled signs, cardboard crests, etc.

One element of uncertainty is the leadership to be given by Ottawa and other government bodies. A statement is expected in the House of Commons shortly from the Prime Minister. If it indicates vigorous leadership it is expected to have an important effect on the amount individual firms will spend.

* * *

Wholesale Trade

Dollar value of wholesale trade in November showed an increase of 5.9% over the same month in 1935, according to the monthly survey of 200 wholesale houses operating in nine different lines of business made by the Bureau of Statistics.

Greatest improvement was shown in B. C. with a gain of 12.8%. Maritime Provinces were up 8.7%, Quebec 6.4%, Ontario 5.3%. Prairie Provinces gained 2.9%.

By types of business automotive trade gained 18.4%, hardware 13%, drugs 18.9%, dry goods 6.6% and groceries 5%. Tobacco and confectionery sales were up 4.4%. Footwear gained 43% in October and dropped 26% in November, compared with 1935. Clothing dropped .8%.

Value of inventory for all kinds of business was 11.5% above the same figure last year.

* * *

Motor Financing

Striking gains in motor vehicle financing occurred in December and the total for new and used vehicles soaring 58% over the same month in 1935. The gain over Dec., 1934, was 192%.

Volume of new vehicles financed was 72% while used car financing gained 39.5%.

Preliminary totals for the 12 months show a gain of 34% for the number of vehicles and value of financing done.

* * *

Livestock Prices Rise

Around Moose Jaw the livestock industry is greatly pleased by the increase in cattle prices which now range between $4.50 to $5 for choice steers. This is largely attributed to the resumption of shipments to the United States at the beginning of the new year.

Considering that domestic consumption accounts for about nine out of every 10 beef cattle raised, farmers and shippers are having a fine opportunity to see the influence of price structure of an open export market for the 10% surplus.

* * *

Lower P.G.E. Rates

Reduced freight rates on carload grocery lots go into effect from the Pacific Great Eastern Railway this month. Formerly the rate of this item from Vancouver to Quesnel was $1.07 per hundred pounds. The new rate is 81 cents, a reduction of 24%. The old rate on the same commodity from Vancouver to Williams Lake was 90 cents. The new rate will be 72 cents, a reduction of 20%.

* * *

New Labor Group

Johnson McKinlay of Vancouver has been named vice-president of the Canadian Federation of Labor. This is as a result of a split in the ranks of the All-Canadian Congress of Labor some time ago. The first issue of the Labor Review, official organ of the Federation, has been published in which according to Zennon David, president, "some of the most substantial Canadian unions have banded themselves together in the Canadian Federation of Labor. W. T. Burford, former secretary-treasurer of the All-Canadian Congress, is secretary-treasurer of the Federation.

* * *

N.B. Fish Prospects

From New Brunswick comes the report that Charlotte County fishermen are looking forward to a good season in 1937 as marketing conditions relative to canned products on both sides of the boundary are promising.

Plant and goodwill of the E. A Holmes Packing Co., Eastport has been purchased by M. Like of Quebec, a company of an annual packing capacity of 100,000 cases of canned goods. Also the sardine canning plant of the Blanchard Manufacturing Co., Eastport, closed for several seasons will be taken over by Maine interests and operated in 1937.

* * *

Hardware Prospects

The year just closed brought increased sales of hardware in almost all sections of the Dominion, says Hardware & Metal, Toronto. More residential construction, higher prices for farm products, and a greater industrial activity, are said to have stimulated the demand. Paint sales particularly were considerably increased in 1936 over 1935 volume. The outlook, according to authorities contacted by Hardware and Metal, is particularly bright, with most manufacturers, wholesalers and retailers expecting greatly stimulated business in all lines of hardware this year. Preparations, as evidenced by heavier buying for spring trade, are being made to take care of much better sales volume in most retail hardware stores.

* * *

Empire Shopping Week

A great Empire Shopping Week beginning on Empire Day, May 24, has been decided upon by the Executive Committee of the British Empire League, who will invite the co-operation of representative bodies in the United Kingdom, Dominions, and Colonies. In a statement explaining the scheme Lieutenant-Colonel Eric Murray, Secretary of the League, said the promoters hoped to make the movement all-embracing and representative of every phase of life in the United Kingdom, Dominions, and Colonies as a tribute to King George VI and a demonstration of Empire solidarity.

* * *

25 Millionth

Ford Motor Co. completed its 25 millionth car last week. It was a Deluxe four-door touring sedan with body in cream, wheels in chromium and the 25 millionth legend across the body panel and trunk head.

It will be placed on exhibition as a central feature in a special display of the sequence of Ford models side by side with the first experimental car begun by Mr. Ford in 1893 and completed in 1896.

* * *

Sea Fisheries

An increase of about 600,000 cwts. in Canada's sea fisheries was reported in November compared with the same month last year. Total landings during the month approximated 1.1 million cwts. of which 643,000 cwts. were B. C. herrings. Corresponding landings of herring in Nov., 1935 amounted to only 125,000 cwts.

* * *

Hosiery Prices Rise?

Within the past few months, prices of raw materials, in the silk hosiery industry, have taken a definite upward trend. In spite of these increases in the cost production, Canadian manufacturers are still quoting wholesale prices which were all right last summer but which cannot be made to absorb these increases, says Stylewear Review.

"In other words, a raise of prices—wholesale and retail—is necessary and is to be expected soon. To our knowledge no one mill has published a price list as yet. We predict developments on this subject before our next edition goes to press."

* * *

Drug Gains

How much did Canadian drug business increase last year over the previous year? That is a question many statistically inclined people are asking. The best figure we have been able to get, based on an average of the experience of several firms doing a national business with the Canadian drug trade is that the retail business of druggists increased somewhere from eight to 10% in 1936 over the previous year. That is at least a good start for 1937.

Attention to Investment Problems by Mail

Letters from clients asking for information on investment subjects or desiring to buy or sell securities receive prompt and careful attention. Transactions by mail with many of our out-of-town clients have been carried on for years with satisfaction.

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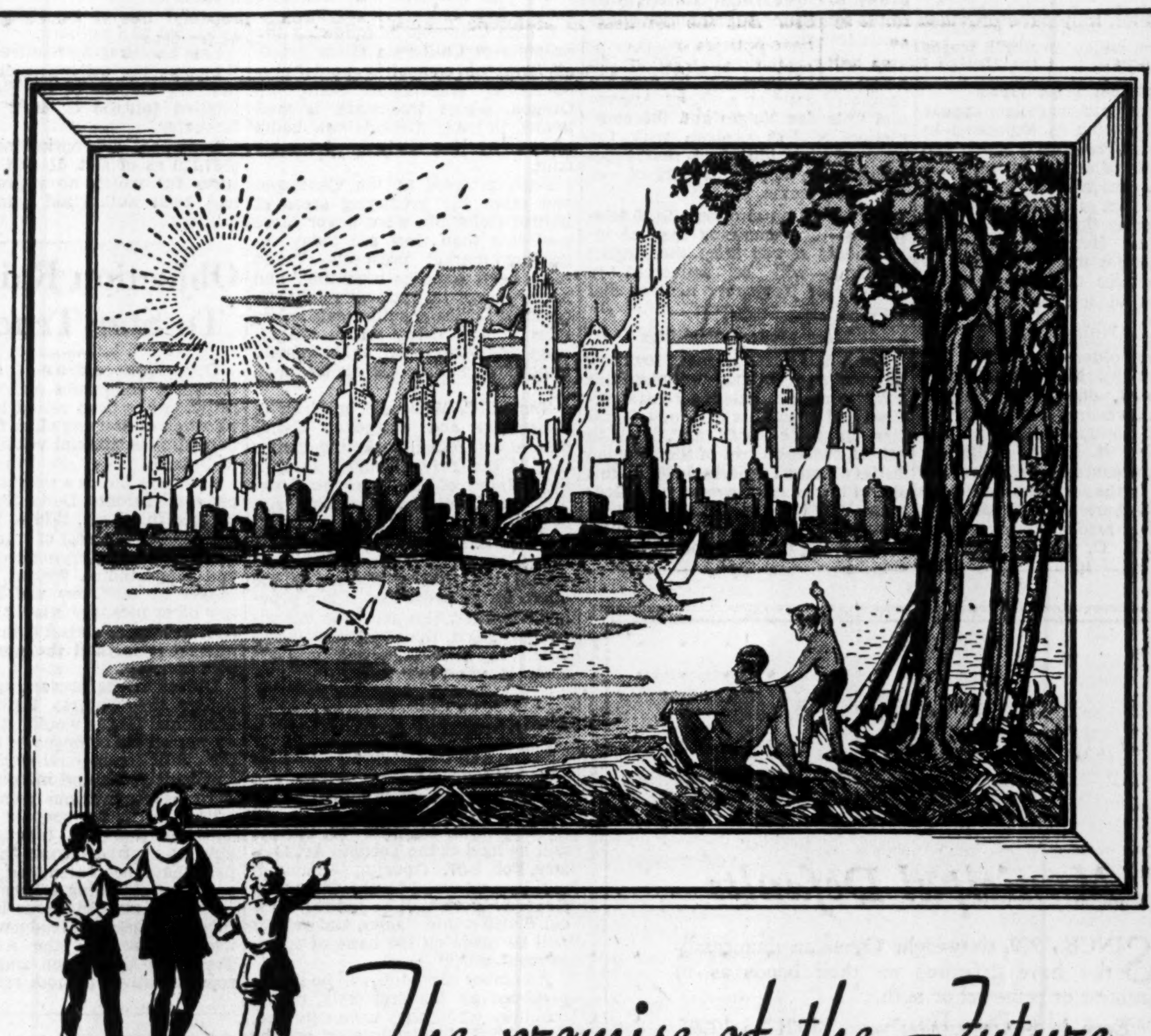


The promise of the Future

Ding-dong! Ding-dong! Ding-dong! The morning bells ring out their summons—and more than a hundred thousand children crowd through the portals of Toronto's public schools and collegiates.

. . . In the courage and the vision of these students lies the immediate destiny of this city and its suburbs. On the sure heritage of the past, this growing generation will build a greater and still greater city.

. . . Now as in the years that have gone, the Consumers' Gas Company is keeping pace with this expanding metropolitan market. New homes are built daily—and daily, too, come new householders, and new industries, asking for gas service. As the population moves steadily to the million mark, so spreads the mileage of mains, the productive capacity of the gas plants.

. . . No matter how great the demand Toronto may make upon the gas supply, the flow will be there—steady, ample and unfailing. Plants and equipment are geared to meet every call for service.

. . . An opportunity now exists of tendering for a new issue of Capital Stock. Investors are reminded that the last hour for receiving tenders is twelve o'clock noon, February 4th, 1937. Tenders must be made on official forms which will be mailed on request.

THE CONSUMERS' GAS COMPANY
OF TORONTO
"FOR THE GOOD OF THE COMMUNITY" . . . . SINCE 1848

Investment Trusts Sell Golds, Buy Coppers

Sell Shares in Older Canadian Gold Mines and Invest in Base Metal Producers

Available records of transactions of American and Canadian investment trusts show they have been generally sellers of shares of older established Canadian gold mines in the past year. On the other hand they have been buyers of shares of major base metal producers such as International Nickel, Noranda and Hudson Bay Mining & Smelting.

Records of transactions of U. S. investment trusts have only become available in the past two years, and there is no complete tabulation of the combined transactions. However, The Financial Post's records of transactions of 23 of these investing companies indicate a definite trend.

Combined Transactions

For instance, their net purchases of base metal shares and the net sales of shares of older Canadian gold mines have been as follows:

Transactions of U. S. Investment Trusts in Canadian Mining Shares

Net Sales:	Shares
Wright-Hargreaves	40,000
Hollinger Cons. Gold	32,100
Lake Shore Mines	23,500
Dome Mines	16,200
McIntyre-Porcupine	7,900
Net Purchases:	
International Nickel	33,000
Noranda Mines	19,400
Hudson Bay Mining	5,300

The same precise information on dealings of Canadian investment trusts is not available generally, but is revealed at least in part by a few of the investing companies. Corporate Investors, for instance, eliminated its holdings of Hollinger and Wright-Hargreaves from its portfolio in the quarter ended Oct. 31, 1936. Canadian Investment Fund has added to its holdings of Lake Shore and Hollinger in 1936, but also increased its investment in Noranda, International Nickel and Consolidated Mining & Smelting.

Buy Base Metals

Canadian General Investment Trust recently reported its position at the close of 1936, showing a decrease in its comparatively small holding of gold mining shares but a large increase in value of its base metal shares. The percentage holdings shown by this firm indicate an investment of some $185,000 in gold mining stocks in 1936 compared with $209,000 in 1935. This contrasts with holdings of about $1,382,000 in shares of base metal mines in 1936, a sharp increase from approximately $488,000 in 1935.

These figures reflect partly the rise in value of base metal shares and the relative sluggishness of older gold shares in 1936. But they appear to indicate also that the trust has been a buyer of base metal shares and that it has at least not added to its gold shares.

Purchases of 29,400 shares of Teck-Hughes Gold Mines have been reported in the past year on behalf of company officials. The major buyer was H. C. McCloskey, secretary of the company. D. L. H. Forbes, president and general manager, added 5,000 shares to his holdings in November, 1936. This may reflect the large investment of Teck-Hughes in its youthful subsidiary, Lamaque Gold Mines, which is now a major producer.

Investment Trust Views

Investment trust managers appear to be of the opinion expressed in The Financial Post nearly a year ago that the rise of shares of the older gold mines has already discounted the greater part of the benefits from the increase in the price of gold to $35 an ounce. Hence they feel that their companies might better place funds in shares that have greater possibilities of increasing incomes and values.

A striking illustration of the switch from older gold shares has been given by Massachusetts Investors Trust, one of the largest American investing companies. In the last six months of 1936 it sold all its holdings of Dome, Hollinger, Wright-Hargreaves, Lake Shore and McIntyre. In the same period it purchased 5,000 shares of Noranda. This company has among its investment advisers, Dr. O. M. W. Sprague, former Harvard professor, who was economic adviser to the Bank of England and to the U. S. Treasury. It will be recalled that he resigned his U. S. Government post when President Roosevelt started to raise the price of gold.

Investment trusts whose records are available in some detail have not been purchasers of the younger Canadian gold producers. It may be that transactions will appear to show some swing into more youthful mines such as Pickle Crow, Little Long Lac, Lamaque, Siscoe, O'Brien and others. If this does occur, it would seem to indicate that there is faith in the expansive possibilities of younger mines.

The attitude of investment trust managers appears to be that the price of gold is fixed at $35 and that this has already been reflected in the price of old established gold mining shares. The investment trust transactions indicate little expectation of another major increase in the price of gold, but that further increases in prices for base metals are more likely. Right or wrong, the investment trust transactions reflect the opinion of professional investment men.

See Your Lawyer If Making a Will

The Financial Post has concluded its ten weeks' series of articles on "Your Will and Your Estate," but a number of subscribers have written asking that The Post publish an example of a will which might be adapted to individual requirements; in other words a "model will" to be used as a basis for drawing a similar document. Such "amateur" wills are extremely dangerous. See a lawyer.

It was emphasized in the series of articles that a "model will" does not exist. Every will must be drawn in the light of widely varying factors, the nature of estate assets, the number and relationship of beneficiaries and to include disposition of an estate which is rarely identical in any two instances. The Financial Post makes this explanation in response to a number of requests and repeats the earlier statements made in connection with the series, that no will should be drawn without the advice of competent legal counsel.

Printed will forms are obtainable from any large stationery establishment, but these are merely blank documentary forms and while serving a useful purpose do not contain any clauses in relation to disposal of an estate.

Bell Telephone Plans $14 Millions '37 Outlay

From Our Own Correspondent

MONTREAL.—Bell Telephone Co. of Canada's programme for 1937 of replacements and extensions will involve a gross outlay of $13.9 millions, according to a statement issued by J. E. MacPherson, vice-president.

The programme for next year is a diversified one and expenditures may be carried out in all parts of the company's territory, as will be seen from the following statement issued by Mr. MacPherson:

"Our major exchange project this year will, of course, be the conversion of some 16,000 of the 38,000 telephones at Ottawa to dial service. Our new building in the capital at Albert and O'Connor Streets will be ready shortly for installation of the automatic switching mechanism, and toward the end of the year, we expect to cut over the telephones in the central portion of the city, as well as those in Hull, to dial operation.

Work at Ottawa

"We shall also install in the new Ottawa building a new long distance switchboard of the latest type, replacing the board now operating from the "Queen" exchange. It is the intention also to replace several private branch exchange switchboards serving many departments of the Dominion Government with dial exchanges. These will be converted at the same time as the major cut is made late this year.

"A new Montreal building to house dial apparatus is now in course of erection at Kent Avenue and Côte des Neiges and the completion of this project, with the necessary outside plant rearrangement, is an important part of our 1937 programme.

"At Hamilton also some 5,000 telephones—the remaining manual instruments served from the Regent exchange—will be converted in October or November next to dial service.

More Modern Facilities

"In a half dozen or more towns of Quebec and Ontario we plan this year to replace existing central offices and apparatus with new facilities—in some cases dial, and in others, switchboards, of the common battery manual type. Included in this list of towns are Bowmanville, Godrich, Wallaceburg, Tillsonburg, St. Jerome, Drummondville, and possibly some other towns in which plans are so far more or less tentative.

"We have also in view some quite extensive projects affecting our long distance facilities. A new long distance cable, replacing open wire, is to be completed over the 48 miles between Toronto and Barrie, with some 14 miles of branch cables. This enterprise will involve an extension of our building at Barrie to house terminating equipment — repeaters and associated apparatus.

"Again, we propose to install additional long distance circuits this year to Winnipeg in the west and eastward to Saint John and Halifax to take care of expanding long-haul traffic. Further circuits are planned northward to the mining areas and also between Montreal and Toronto."

B.C. Fruit Growers To Boost Product

From Our Own Correspondent

VANCOUVER.—Fruit growers of British Columbia plan a $60,000 advertising campaign this year to make their product better known in the markets of Canada and overseas.

The advertising fund will be created by a levy of 1½ cents to 2 cents a box.

British Columbia is following the example of California citrus growers and the competing apple producers of Washington State and Oregon, whose trademark is well known in many markets now being served by the British Columbia fruit.

Fruit growers in the Okanagan and other big producing areas of British Columbia were never more confident than they are today regarding market prospects. Prices have been steadily mounting, and improvement in business conditions on the Prairies should mean larger sales in a territory which has always been regarded as extremely important to the coast apple industry

Hon. K. C. McDonald, minister of agriculture and outspoken champion of controlled marketing, claims that if the Privy Council sustains the opinion of the Supreme Court that the Dominion Marketing Act is ultra vires, then the power must lie with the Provincial Legislature. He maintains the matter must come within the sphere of one or the other. In the event that it is a provincial matter, the province has already passed the necessary legislation to give organized growers control over their sales.

Architectural Exhibition In Toronto Next Month

This year the sixth annual architectural exhibition of the Royal Architectural Institute of Canada will be held at the Toronto Art Gallery, Feb. 5-27. Opening ceremonies will be performed by the Governor-General. Work will be judged without division into classes, and awards will be made on the basis of architectural merit.

A number of models will be shown prepared by the architects, of the buildings which they have executed. An exhibit of great interest will be the two living-rooms erected in the main court of the gallery, both of which will be well designed and beautifully decorated and furnished; one in the best style of the Victorian era 1887 and the other in the modern manner of 1937.

An exhibit of rare interest and beauty is a number of pieces of beautiful glassware including tableware, vases, urns, candlesticks, etc., which have been created by artists and master craftsmen at the Corning Glass Works, in the mountains of Steuben County, some two hundred miles from New York city.

There will also be a group of half a dozen large models of architecturally designed modern shop fronts of structural glass which should have a commercial as well as artistic interest.

The artists' original drawings for the murals for the R.M.S. Queen Mary are being brought to this country for this exhibition and will be shown for the first time in America during this exhibition.

Factory Sale

Eaton, Crane and Pike Co. of Canada has purchased a four-story factory building at the corner of Davenport Road and Dupont St., Toronto. The building, containing 45,000 square feet was built in 1911 for the Standard Silver Co. It has been vacant five years. The building is assessed at $57,000.

Peak Export Of B.C. Lumber

Overseas Shipments at All-time Total in 1936

From Our Own Correspondent

VANCOUVER.—Importance of the Empire trade agreements to British Columbia's lumber industry is strikingly shown by an analysis of the past year's exports, more than 80% of which were for the United Kingdom or the sister dominions.

Last year witnessed a dramatic recovery in the lumber business, and water-borne trade was up 40% for the year. The United Kingdom, by far the most important single buyer, purchased 50% more lumber from B. C. than in 1935, and the indications are that this year there will be an even greater increase.

Although in 1928 and 1929 total production of lumber in this province was slightly higher than last year, a new all-time high in overseas shipments was reached in 1936, the total being more than 1,042 million board feet, compared with 792 million feet the previous year. The United Kingdom alone took 666 million feet; Australia accounted for 125 million feet; and South Africa 61 million feet. The Japanese market was disappointing, but China bought more than 100 million feet.

Montreal Lives Within Income

Happy Change Since Adoption of New Accounting System

From Our Own Correspondent

MONTREAL.—Montreal had a revenue surplus of $122,863 for the first six months of the current fiscal year, according to a report released on city finances for the period May 1 to Oct. 31, 1936.

During the six months the city collected 49.29% of the year's needs, (estimated at $48.7 millions) and spent 49.14%.

Temporary bank loans and treasury bills dropped $10.5 millions, from $17.6 millions as of April 30 to $7.1 millions as of Oct. 31.

Net debt increased by only $370,719 during the six months, standing at $199.4 millions at the end of October compared with $199 millions on April 30 last. During the first six months of the preceding fiscal year net debt increased $7.8 millions.

Funded debt is down $3.8 millions through the redemption of loans in the six-month period and issuance of no new loans. As of Oct. 31, funded debt was $271.7 millions against $275.5 millions on April 30.

Uncollected property taxes for the current fiscal year 1936-37 stood at 38.93%, compared with 41.11% on Oct. 31, 1935.

Uncollected water and business taxes for the current fiscal year stood at 37.74% compared with 40.82% at the end of Oct., 1935.

Sales tax during the first six months of the current fiscal year was $1.7 million or 47.36% of the estimated $3.6 millions.

Less encouraging features were:

Income tax collection during the first six months of the fiscal year totalled $619,656 or 46.62% of the estimates.

Overspent appropriations totalled $537,779 as of Oct. 31 and expenditures for which no appropriations had been authorized totalled $1.5 million.

Objection Raised To Star Trucking

Opposition among organized transport companies and Canadian railways has been raised to the application of Starways Ltd. for a class D public commercial vehicle license in Ontario.

Starways Ltd. is a subsidiary company of Toronto Daily Star Incorporated in March, 1936 to "carry on the general business of transporting, delivering and carrying goods, wares and merchandise, freight and passenger by land, sea and air or by any other means whatever." It now operates under a class C license permitting it to haul the goods of its own concern.

Object of the present application before the Ontario Railway and Municipal Board would, it is claimed, permit the company to enter into the public commercial trucking field and haul goods and merchandise to Toronto from various points in Ontario after its newspapers had been delivered thereto. It is reported that already contracts from three large firms have been arranged in anticipation of obtaining a license.

Preliminary objections have been filed by Joseph Goodman, executive secretary of the Automotive Transport Association and by legal representatives of both railways.

New Rate Given On Coronation

Once more enquiries are being received by Lloyd's of London on insurance against postponement or cancellation of a coronation, this time that of King George VI. The rate in London is currently quoted at slightly more than 20%.

It is stated that the high premium is due mainly to the fact that rates on business of this kind are largely dictated by the amounts of similar risks that underwriters have on their books. A number of underwriters still have liability under policies taken out some months ago which provided against cancellation or postponement of the coronation but made no mention of King Edward VIII.

The position of Lloyd's in respect to policies which made specific reference to King Edward is still obscure. These were effected on the understanding that the insured stood to lose financially if the coronation did not take place. However, makers of souvenirs, etc., are finding a ready sale for goods bearing the portrait of King Edward, with a huge business reported in London.

HR & COMPANY

Municipal Defaults

SINCE 1929, sixty-eight Canadian municipalities have defaulted on their bonds as to interest or principal or both.

Even in pre-depression years (1921 to 1929), twenty-seven municipalities with aggregate consolidated debts totalling $18,902,747 defaulted in whole or in part. At the end of 1934, almost 10% of the total municipal debt of Canada was in default. The actual amount involved exceeded $140,000,000.

Nearly all these securities were regarded as high-grade investments at one time. They depreciated as a result of circumstances. Today some of them have no more than nominal market value.

This is another illustration of the truth of the statement that high-grade securities do not always remain high-grade. Detecting, in advance, the possible development of unfavourable factors is one of the essentials of successful investment management.

We will be glad to send you a copy of our booklet: "The Management of Your Investments".

HODGSON, ROBERTON & COMPANY
Investment Counsel
437 ST. JAMES ST., WEST, MONTREAL

$35,500,000

Canadian National Railway Company Bonds

Guaranteed unconditionally by the

Government of the Dominion of Canada

as to both Principal and Interest

The Bank of Canada is authorized by the Minister of Finance to receive, on behalf of the Canadian National Railway Company, subscriptions for the following bonds:

$15,500,000
Seven-Year 2¼% Bonds, due February 1, 1944
Issue Price: 99.125 and accrued interest, yielding approximately 2.39% to maturity

AND

$20,000,000
Fifteen-Year 3% Bonds, due February 1, 1952
(Callable on or after February 1, 1948)
Issue Price: 99.50 and accrued interest, yielding approximately 3.04% to maturity.

Bonds will be dated February 1, 1937. Principal and interest will be payable in lawful money of Canada. Interest will be payable, without charge, semi-annually on February 1 and August 1, at any branch in Canada of any chartered bank.

These bonds will be a direct obligation of the Canadian National Railway Company, the capital stock of which is owned by the Dominion of Canada. Payment of principal and interest on these bonds will, under authority of the Parliament of Canada, be guaranteed unconditionally by the Government of the Dominion of Canada. A copy of the guarantee will be endorsed on each bond.

Proceeds of this issue will be used exclusively for the payment of temporary loans obtained by the Company from the Government for the redemption of funded debt which has matured, or has been called.

Payment is to be made in full against delivery of interim certificates on or about February 1, 1937.

Denominations: 2¼% Bonds $1,000
3 % Bonds $500 and $1,000

Subscriptions may be made to the Head Office of the Bank of Canada, Ottawa, through any branch in Canada of any chartered bank or through any recognized dealer, from whom copies of the official prospectus containing complete details of the issue may be obtained. The Minister of Finance reserves the right to allot subscriptions in full or in part.

The subscription lists will open on January 28, 1937, and will close as to either maturity or both, with or without notice, at the discretion of the Minister of Finance.

OTTAWA, January 27th, 1937.

IT COSTS LESS

TO TALK BY "TRANS-CANADA" NOW!

Trans-Canada is the Telephone System which makes it possible for you to talk to any part of the Dominion where telephone service exists.

THERE have been substantial rate reductions in Trans-Canada toll charges in line with the System's policy of giving maximum service at minimum cost. On Sept. 1st last a new set of rate reductions became effective.

Look at the adjoining table showing new, low rates.

RATES

The following are the daytime, station-to-station rates for telephone calls from Toronto to:

HALIFAX	$3.00
SAINT JOHN	2.30
WINNIPEG	3.25
BRANDON	3.50
REGINA	4.25
MOOSE JAW	4.25
CALGARY	5.50
EDMONTON	5.25
VANCOUVER	6.50
VICTORIA	6.50

THE TRANS-CANADA TELEPHONE SYSTEM

Did you realize your voice could travel so far for so little?

Use Trans-Canada to reach your far-off friends . . . and maintain business contacts in distant cities . . . it will repay you many times over in the satisfaction it gives. Just ask for or dial "Long Distance".

TRANS-CANADA TELEPHONE SYSTEM
THE BELL TELEPHONE COMPANY OF CANADA

Your Investments

What We Do:

1. Give information on Canadian securities to Financial Post subscribers.
2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

What We Don't Do:

1. Answer enquiries of nonsubscribers.
2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select lists of securities; express opinions; or make forecasts.

Three-cent stamp must be enclosed. Address The Financial Post, 481 University Ave., Toronto.

Donnacona

Will you please let me know what chance Donnacona common stock has? Is the company well financed? Can earnings be expected on the common?

Donnacona Paper's operations are at capacity and, depending upon the price for newsprint, pulp and paperboard, prospects are that the company will record an expansion in earnings over the next few years. The company's financial position has been strengthened by the recent sale of short term notes, the proceeds from which will be used for further expansion of productive facilities and to increase working capital. It is estimated that as a result of these extensions and anticipated economies in manufacturing, net revenue available for interest, depreciation and depletion, and income tax, will amount to $758,000 for 1937, as against $207,076 in 1935. The report for 1936 is not expected to show much change from that reported the previous year. If the anticipated earnings are realized in 1937, there should be earnings available on the class A stock.

Hamilton Bridge

I hold some shares of Hamilton Bridge which are now selling considerably higher than when I purchased. My recollection is that this company has not shown a profit for some years and now that I am assured of some small increase in my investment I have been wondering if this is the time to sell.

Hamilton Bridge Co. is essentially a heavy construction company interested in railway and other bridges, large-scale structural steel work, etc. Generally speaking there has not been anything like the recovery in the construction industry in the last two years that there has been in many other Canadian industries. Improvement made by any construction companies to date is generally considered largely of a routine character and merely a forerunner of what might be expected if general recovery continues and necessary large-scale general construction gets under way.

Ever since 1931 Hamilton Bridge has had net losses but these have been gradually decreasing. For 1935 the loss was only slightly over $90,000. Returns for the year ended Dec. 31, 1936 have not yet been reported but are generally expected to show a substantial operating profit with volume of business running fully 50% ahead of 1935. Depreciation which has not been written off in recent years, however, may be expected to loom very largely in the coming report. The company, it is understood, has benefitted from bridge development in British Columbia recently and might also expect to benefit from the Sarnia-Port Huron international bridge across the St. Clair River for which contracts have yet to be awarded.

Great Lakes Power

I am considering the purchase of a Great Lakes Power Co. 4¼% bond at 99½. I would appreciate a report on this company.

Great Lakes Power Co. 4¼% bonds are fairly well regarded in investment circles. The company has earned its bond interest in every year by a wide margin. In addition, there is substantial equity behind each $1,000 bond. During the current year the company carried out refinancing whereby it increased its bond indebtedness from $1.4 million to $4.5 millions, thereby paying off a large amount of advances from its parent company. Earnings of the company have shown steady improvement during the past three years and during 1936 were almost double the amount earned in 1935.

As you no doubt know the company supplies hydro-electric power to Sault Ste. Marie and the surrounding Algoma district. Its principal customers are the Algoma Steel Co. and the Abitibi Power & Paper Co. Improvement in the operations of Algoma Steel Corp. will be reflected in the company's earnings. There has been a substantial increase in the amount of power sold to mines in the Michipicoten district.

United Corp.

Would you advise continuing to hold stock in United Corporations?

United Corporations has registered an improvement both as to value of its investment portfolio and earnings. The last report available, that for 1935, shows investments valued at $8.2 millions, compared with $7 millions at the end of 1934. Earning power also increased, permitting the payment of dividends on the class A stock. The report for last year, which will make its appearance some time next month, is expected to show further gains in the value of investments and earnings.

Thayers

I would like details of the position and outlook for Thayers Ltd.

Thayers Ltd., operates a wholesale and retail business distributing gasoline and similar oil products through a chain of service stations in southwestern Ontario and extending into the Toronto area. The company has a capital of 9,550 preferred shares carrying annual dividends of $3.50 a share, and 50,454 common shares. The semi-annual preferred dividend of $1.75 a share due July 2, 1936, was deferred, but a payment of $2.50 a share was made Jan. 1, 1937. This leaves dividend arrears of $1 a share.

Earnings in 1935 amounted to $3.31 a share on the preferred, and operating profits have shown a slight increase in 1936.

Although earnings have been shown on the common stock from time to time, they have not been impressive, and only two dividends, of 25 cents each in 1934 have ever been paid on the common.

Mersey Paper

A client of ours has some common stock in the Mersey Paper Co. Will you please let us know if this stock is of any value?

Mersey Paper Co. has outstanding 150,000 shares no par value common stock. Aside from the small amount distributed to purchasers of the general mortgage bonds, the stock is closely held. No earnings have been reported on the common shares since the company started operation. To date it has been the practice of the management, after providing for bank and bond interest, to charge off the balance of earnings to depreciation. There is no book equity for the common, but if price of newsprint paper continues to advance, it would not take a very large increase to establish earnings on the common, as the entire output of the mill is sold.

Bruck Silk

I would like your views on the common stock of Bruck Silk.

Bruck Silk Mills common stock has gone off in value owing to the sharp decline in earning power and the situation in the textile industry. Sales in the fiscal year ended Oct. 31, 1936, at 2.75% higher in volume but 2.8% lower in value than for the previous year. Although an improvement was noted for the final four months of the year, this did not overcome the decline of 8.3% in value experienced in the first eight months. Earnings were two cents a share in 1936 as compared with $1.20 in 1935, the dividend of 80 cents in 1936 being paid out of surplus. At the present time the company is paying a quarterly dividend of 10 cents a share. At the annual meeting of the company held last December, the president reported that sales during November, the first month of the current fiscal year, were 20% higher than for the same month a year ago. He further stated that new lines have been added which are expected to increase earning power.

St. Lawrence Flour

Will you please let me have the latest information on St. Lawrence Flour common stock?

St. Lawrence Flour Mills has recorded a steady improvement in earnings and financial position. During the year ended Aug. 31 last, the company earned $5.62 a share on its common stock, the largest for more than seven years. Since the close of the year, the mill has run at capacity and earnings are reported to have shown an improvement over the corresponding period of last year. In line with this improvement, the company recently increased the dividend on the common stock, so that it is expected that the new common, representing a three for one split of the old shares, will be on a $1 annual dividend basis.

Canada Cement

What is your opinion on Canada Cement common?

Canada Cement Co.'s financial statement for the year ended Nov. 30 last showed a marked improvement in earnings. Net profit was equal to $3.30 a share on the preference stock, as against 19 cents a share in 1935. As a result, the management have declared an interim dividend of $1 a share, to be applied against arrears of dividends on the preferred. As for the common stock, it should be remembered that nothing can be done for this security until the arrears of dividends have been paid off on the preferred.

Alberta Pacific

Would you kindly let us have your opinion on Alberta Pacific Grain common stock

Alberta Pacific Grain common stock is regarded as somewhat speculative in view of the fact that the volume of grain available for handling has decreased. During the year ended June 30, 1936, the company had a net loss of $15,670. The company has not shown substantial earnings since 1929. Bonds interest has been paid regularly, but the bond sinking fund was suspended for the three years ending June 30, 1936, and again comes up for consideration next June. Working capital has been gradually improved since 1929, a deficiency of $1.9 million being turned into a favorable balance of $610,202. While the showing of the company, from an earnings point of view, has not been especially favorable, one thing to bear in mind is that the grain companies can record a very rapid comeback if given a good volume of business.

Winnipeg Electric

We are considering making some small investments and among the stocks being reviewed is Winnipeg Electric A. We would like to have your views as to the position of the company and its outlook.

On the basis of the reorganization carried out last year, Winnipeg Electric Co. should be in a position to carry its funded debt. The consolidation of activities and the elimination of underlying securities makes for a stronger set-up. On the new basis it is estimated that the company will be able to carry along without financial difficulty and with an improvement in conditions in the Winnipeg territory, which is already in evidence, it would not take the company long to establish an earning power on its capital stock.

Viau

I am interested in having some information on Viau's common stock. Has the company made any improvement in its position?

Viau Biscuit Corp. has made a somewhat better showing of sales and profits, but in August last it was necessary to carry out a capital reorganization by which the name of the company was changed to Viau Ltd. and arrears of dividends liquidated. The revision of the capital structure of the company should place it in a stronger position, though there does not appear to be an immediate prospect of resumption of dividends on the junior securities.

Duluth-Superior

Can you please inform me what has happened to Duluth-Superior Traction Co. whose shares I have been holding for some years?

Duluth-Superior Traction Co. has outstanding 15,000 shares of 4% prefered stock of $100 each and 35,000 common shares of $100 each. The operating company, Duluth Street Railway Co. went into receivership May 2, 1930, and this affected seriously the Duluth-Superior Traction Co. which was the owner of all of the 18,000 shares of the operating firm.

The operating company, Duluth-Superior Transit Co., was reorganized in 1933, and new securities went mostly to holders of its first and general mortgage bonds and to holders of its 7% preferred stock. Duluth-Superior Traction Co., the holder of the 18,000 shares of old common stock in Duluth Superior Transit Co. received 1,500 shares of common stock in the new company for its investment.

Duluth-Superior Traction Co. is now without income and has been wholly inactive since the beginning of the receivership. Consequently, Herbert Warren, vice-president, and S. L. Reichert, secretary, have been appointed trustees to hold the assets of the corporation for the benefit of shareholders under a trust agreement made Oct. 5, 1936. There is no prospect of early returns on either preferred or common shares of the Duluth Superior Traction Co., but eventually they may have some value.

C. S. L.

I would appreciate your comments on Canada Steamship Lines.

Bondholders and shareholders of Canada Steamship Lines have approved the plan of recapitalization. The scheme provides for redemption of the outstanding first mortgage bonds this fall and a reduction in the balance of the funded debt so as to reduce interest charges. It is believed that on the new basis, the company will be able to carry the bonded debt without difficulty and that, as a result, the company will be in a position to rebuild its financial position.

Naturally the securities of the company are speculative at this time, but given a return to more normal conditions, it is anticipated the company will be able to establish satisfactory earnings on the new preferred.

Lake of the Woods

What is the outlook for Lake of the Woods Milling common? We purchased some at $36 a share and were wondering whether to sell or just hold on to what we have.

Lake of the Woods Milling Co. has shown further improvement in its position and prospects are definitely encouraging. The wheat situation, in particular, has strengthened and the demand, both domestic and export, for wheat flour looks good. The selling price of wheat is not altogether what the millers would like it to be, but the price structure is stronger which lends encouragement to the outlook for the milling industry.

Can. Power & Paper

I own a few shares of preferred and common stock of Canadian Power and Paper Investments, and wish you would advise me as to their value at present and condition of this company.

At present there is a market of 25 to 27 on the preferred and 7 to 8 on the common stock of Canadian Power and Paper Investments.

Since the reorganization, the company has made headway in re-establishing its position. Total income for the year ended July 31, 1936, amounted to $91,781 as compared with $196,267 for the preceding 19 months. Net loss for the year was $19,560, but, in addition, the company had a loss of $499,751 from sales of securities, which was charged to capital surplus. Current loans which amounted to $531,275 at the end of July, 1935, were liquidated in full early in 1936 by the sale of some of its investment holdings. Further, the company reduced the outstanding amount of debentures by $352,000.

Equity for the debentures increased to $1,115 at the end of July, 1936, as against $453 at July 31, 1935. As a result, there is now an equity of $4.10 a share for the preferred, the first time that any equity has been reported since 1931. It is understood that since the close of the last fiscal year the company has been able to record a further appreciation in the value of its investments.

BROKER PARTNER

Jacques Forget, who has been admitted to partnership in his brothers' firm, Forget and Forget, members of the Montreal Stock Exchange and Montreal Curb Market.

Dominion Bridge

I would like to have a report on the prospects for Dominion Bridge Co.

Dominion Bridge Co.'s financial statement for the past year was somewhat disappointing, as it had been anticipated earnings would be on a larger basis than the 57 cents a share actually shown. However, the demand for durable goods has not been very great over the last 12 months, but expectations are that there will be an increase in sales. Consequently the outlook for Dominion Bridge is regarded with favor and, in view of its strong financial position, the company will be able to take any advantage of an improvement in construction activity.

Bathurst

It would be appreciated if you would let us have a report on Bathurst Power and Paper "A" stock.

Bathurst Power and Paper interim report indicates further expansion in earning power. In addition, following the change in management, the company has embarked upon a programme of expansion which is expected not only to increase productive facilities, but to add further to earnings. The financial statement for last year will not be available until some time in April, but it is expected that the showing will be much better than in 1935 when the company earned 24 cents a share on the class A stock.

Robert Mitchell

As I have a little money now that I would like to invest, would you kindly advise me regarding the current position of Robert Mitchell?

Robert Mitchell recently carried out a recapitalization which has had the effect of strengthening the balance sheet position. Operations of the company are reported to be somewhat better and, at the same time, prospects are improving. Earnings have been limited for some time, but there is prospect of a comeback before long.

Automatic Merchandising

We are holding preferred and common stock of Automatic Merchandising Corp. of Canada in an estate. We have not been able to trace this company and would greatly appreciate information on its financial standing.

Automatic Merchandising Corp. of Canada was wound up by the liquidator, Imperial Trust Co. two or three years ago. Imperial Trust is now part of Premier Trust Co. There was not enough cash in the estate to pay the claims of preferred creditors so that nothing remained for shareholders. The shares are of no value.

Abitibi

Can you give me an idea of the ultimate value of common shares of Abitibi Power & Paper Co.?

The ultimate value of Abitibi common shares depends largely upon whether earnings increase very materially, and, secondly, upon whether reorganization of the company is avoided, or deferred long enough. That is, if the common shareholders are successful in retaining most of their nominal equity, the shares would be of considerable value if earnings were to recover to anything like pre-depression levels. The future of the shares, therefore, depends on two uncertainties: substantial recovery of earnings, and reorganization possibilities.

Canadian Car

Please be good enough to let me have a report on the current position of Canadian Car and Foundry Co.

Canadian Car and Foundry Co.'s position, as regards new business, has undergone a considerable improvement in the last few years. In the year ended last September the company showed an operating profit, the first for several years. Since then the Dominion Government has announced another plan of helping to finance the purchase of new equipment and it is expected that the Canadian National and Canadian Pacific Railways will order about $40 millions of new equipment. Not all of this will be available for the car companies, of course, but the amount which should go to them should be sufficient to enable them to operate at a fairly high level for the balance of the year, with a consequent improvement in earnings.

United Rubber

Can you give me any information regarding shares of the United Rubber Co.?

United Rubber Co. was incorporated under the Ontario Companies Act and is treated by the provincial companies branch as dormant. The company is no longer active, although the charter has not actually been surrendered. The shares are of no established value.

Fanny Farmer

Fanny Farmer Candy Shops common shares have been recommended to me and I would like a review of this firm's position.

Fanny Farmer Candy Shops showed earnings in 1935, after all charges, of $1.28 a share, and paid dividends in that year of 50 cents a share. In 1936, there was further expansion of the chain to nearly 200 stores. Sales for 1936, consequently, increased more than 16%, and it is expected that earnings for the year may be around $1.50 a share. In addition to the quarterly dividend of 12½ cents on Oct. 1, 1936, the company paid an extra of 12½ cents. The final dividend for the year, paid Dec. 23, consisted of a regular quarterly payment of 12½ cents a share and an extra of 25 cents. This brought total payments for the year to 87½ cents a share. The company appears well able to maintain a regular rate of $1 a share on the basis of the last three years' earnings. The outstanding capital is 390,463 common shares.

The company is managed by the same group who operate Laura Secord Candy Shops in Canada. However, being in the United States, Fanny Farmer has a wide field still remaining for expansion. The company operates on the unit system, supplying stores in a local area from a local studio or factory, and this system not only ensures fresh candies, but also avoids unwieldy distribution machinery. The working capital position is strong but the net equity per share is only $4.19, the market valuation for the stock depending largely upon earnings and dividends.

Bell Telephone Employee Important Shareholder

From Our Own Correspondent

MONTREAL. — Nearly 4% of the Bell Telephone Co. of Canada's total outstanding stock, or 29,919 shares, is owned outright by 3,454 employees who took advantage of the plan put forward by the management under which they were given the right to buy the stock at a discount with payment on the installment plan.

This is not all. At the time these figures were compiled, the beginning of 1936, 5,549 out of 9,253 employees eligible to subscribe for stock were making payment on 25,497 shares.

When the returns for 1936 are completed, it is expected the number of employees holding stock outright and the number of shares fully paid, will show a relatively heavy increase over the number reported at the beginning of the year.

Started in 1920

The Bell Telephone Co. of Canada's employee stock plan was inaugurated in May, 1920, to encourage consistent and systematic saving among employees.

Those who have completed six months continuous service are permitted, under the plan, one share for each $300 annual salary, paying for it by deductions from pay at the rate of $3 a share per month.

The price at which the stock is offered to employees—$115 per share—is appreciably under the market value, and payments are spread over a period of 36 months.

Limit to Subscription

The plan provides that any employee may subscribe for the maximum number of shares to which he is entitled, or for as small a number, but not more than 50 shares in any one period of 12 consecutive months.

The plan, which has been in effect now for 17 years, carries a number of interesting provisions, which have been tested by time, and, on that account, are interesting to other companies which sell their capital stock to employees.

Pay in Two Ways

Payment for the stock can be made in two ways. The one most generally accepted by the employees is a reduction from the employee's pay of $3 a share per month, beginning the second month following that in which the subscription is filed. If an employee is paid semi-monthly, two deductions of one-half the monthly rate are paid each month. Subscriptions may also be paid by assignments of dividends.

Interest at the rate of 5% per annum, compounded quarterly, is allowed and credited to the employees' account on all amounts deducted from pay and on all dividends assigned to the company and credited to the employees' account.

The rate of interest allowed on amounts credited to the employees' account varies depending upon the current rate of money. In the earlier years, the company announced 7% per annum. On April 1, 1933, the rate was changed to 5% per annum.

Rights Are Limited

Until stock is fully paid for, the employee cannot pledge his rights under any subscription agreement under the plan.

Stock subscribed for under the employee plan does not participate in any rights to subscribe for new stock or other securities issued by the company and offered to all stockholders, until payments are made in full and the subscriber entitled to the stock certificate.

In the case of employees who subscribed for stock and then retired on pension before payments were completed, the plan permits him to either continue the payments or cancel his subscription.

Right to Withdraw

An important feature of the plan is that any employee continuing in the service of the company may at any time withdraw from any or all of his subscription agreements. The employee is entitled to receive the total amount withheld from his pay with interest at 4% per annum, compounded quarterly. This privilege applies to all or part of the shares covered by the subscriptions.

The employee is under no obligation to subscribe for stock. C. F. Sise, president, emphasized this point in a circular letter to employees, stating, "The present standing and future prospects of any employee will not be affected in the least degree by his decision as to the purchase of stock."

Howard Smith Mills Starts $400,000 Program

From Our Own Correspondent

MONTREAL. — Howard Smith Paper Mills have started work on a $400,000 expansion programme at Cornwall. Plans provide for the installation of new digesters, acid recovery tanks and other equipment which will step up production of the sulphite mill from 77 to 110 tons a day, and of the soda pulp mill from 70 to 100 tons.

No major additions to the paper mill are contemplated at this time and surplus from the soda and sulphite mills will be shipped to the Howard Smith mills or outside customers.

It is expected the extension will be complete and in operation about the middle of June.

CANADIAN SECURITIES

Dominion and Provincial Government Bonds
Municipal Bonds
Public Utility
and
Industrial Financing

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

PATO CONSOLIDATED GOLD DREDGING

Description of one of the world's greatest placer properties, operated under same auspices as Bulolo Gold Dredging, available on request.

Greenshields & Co
INCORPORATED
507 Place d'Armes, Montreal
TORONTO OTTAWA QUEBEC
SHERBROOKE

CANADA'S GROWTH

Canada's greatness is the result of generations of growth. By safeguarding savings, by promoting confidence, by stimulating construction, by encouraging thrift, the Canada Permanent Mortgage Corporation has contributed to Canada's sturdy growth for more than 81 years.

FOUNDED 1855

CANADA PERMANENT Mortgage Corporation
HEAD OFFICE: 320 BAY ST., TORONTO
ASSETS EXCEED $69,000,000

THE TORONTO GENERAL TRUSTS CORPORATION

55th Annual Statement

Profit and Loss Account
For the Year Ended 31st December, 1936

Balance brought forward from 31st December, 1935			$ 151,493.09
Net Profits for year, after deducting Management Expenses, Directors' and Auditors' fees, advertising, rents and all other charges			279,784.41
			$ 431,277.50
APPROPRIATED AS FOLLOWS:			
Quarterly Dividends Nos. 159, 160, 161 and 162			$ 120,000.00
Amount provided for Federal, Provincial and Business Taxes			55,000.00
Amount written off Office Premises			50,000.00
Balance carried forward			206,277.50
			$ 431,277.50

Balance Sheet, 31st December, 1936
ASSETS

CAPITAL ACCOUNT:			
Office Premises and Safe Deposit Vaults at Toronto, Ottawa, Winnipeg, Saskatoon, Calgary and Vancouver		$ 1,950,000.00	
Rents due and accrued		4,878.90	
Real Estate held for sale		1,342,285.85	
Mortgages:			
Principal	$ 62,823.43		
Interest due and accrued	5,124.99		
		67,948.42	
Agreements for Sale:			
Principal	$ 249,168.26		
Interest due and accrued	8,847.90		
		258,016.16	
Agreements for Sale (Conditional)		612,001.20	
Loans or advances to Trust estates		251,949.89	
Loans on Dominion of Canada Bonds		100,000.00	
Bonds and Stocks		25,290.20	
Transfer Fees receivable		55,806.36	
Cash in Chartered Banks	$ 113,812.50		
Cash on hand	605.00		
		114,417.50	
			$ 4,782,594.48
GUARANTEED TRUSTS ACCOUNT:			
Mortgages:			
Principal	$13,502,143.34		
Interest due and accrued	518,741.24		
		$ 14,020,884.58	
Dominion of Canada and Provinces of Canada Bonds		1,341,754.08	
Canadian Municipal Debentures		2,806,325.13	
Debentures, Bonds and Stocks		328,527.44	
Loans on securities of Dominion of Canada, Provinces and Municipalities of Canada		862,170.75	
Loans on Bonds and Stocks		154,580.58	
Cash in Chartered Banks	$ 1,093,350.38		
Cash on hand	24,090.03		
		1,117,440.41	
			20,631,682.97
ESTATES, TRUSTS AND AGENCIES:			
Investments and Cash in Chartered Banks		$ 80,991,123.40	
Original assets of Estates and Agencies at inventory values		134,349,793.10	
			215,340,916.50
			$240,755,193.95

LIABILITIES

CAPITAL ACCOUNT:			
Capital Stock		$ 3,000,000.00	
Reserve Fund		1,500,000.00	
Dividend No. 162, due January 2nd, 1937		30,000.00	
Reserve for Federal and Provincial Taxes		32,359.50	
Unearned Rents		13,957.48	
Profit and Loss		206,277.50	
			$ 4,782,594.48
GUARANTEED TRUSTS ACCOUNT:			
Funds held under Guaranteed Investment Certificates		$ 14,190,557.25	
Funds on deposit		6,441,125.72	
			20,631,682.97
ESTATES, TRUSTS AND AGENCIES:			
Trust Funds for investment or distribution		$ 80,991,123.40	
Inventory value of original assets of Estates and Agencies under administration by the Corporation		134,349,793.10	
			215,340,916.50
			$240,755,193.95

Thomas Bradshaw, *President*   W. G. Watson, *General Manager*

STOCKS LISTED AND UNLISTED BONDS

Hambly, Peaker & Trent

Members
THE TORONTO STOCK EXCHANGE

613 DOMINION BANK BUILDING
TORONTO
Elgin 3294

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870

DEPOSITS ACCEPTED DEBENTURES ISSUED
Mortgage loans on owners' homes at low rates of interest
Capital (Fully Paid), $2,000,000 Reserve Fund, $2,400,000

THE LONDON & WESTERN TRUSTS COMPANY LIMITED
ESTABLISHED 1896
LONDON - TORONTO - WINDSOR - WINNIPEG - VANCOUVER

"Accumulated Wealth Is Essential to National Progress"

—C. H. Carlisle

Sixty-sixth Annual Meeting of Shareholders of The Dominion Bank

Quick Assets 77% of Public Liabilities. An increase in earnings—large growth in deposits.

Dividends of 10% on the Bank stock are actually only 4.7% in shareholders' investment.

"For every dollar the shareholder receives in dividends, The Dominion Bank pays 78c in taxes."

"Experience has taught us that depressions are not permanent: neither are periods of prosperity permanent."

A large number of Shareholders attended the Meeting, which was addressed by the President and the General Manager. The President, Mr. C. H. Carlisle, was in the Chair.

Address of MR. DUDLEY DAWSON, *General Manager*

The Secretary of the Meeting has given you a statement of the Bank's profits and how they were disposed of. After paying dividends totalling $700,000., making a contribution of $75,000. to the Officers' Pension Fund, providing $202,248.66 for taxes and writing $100,000. off Bank Premises, the Profit and Loss Account was increased by $76,277.99, and now stands at $668,977.15.

4.7% on Shareholders' Investment.

While the dividends were 10% per annum on the capital stock of the Bank, the rate paid was actually only 4.7% on the shareholders' total investment in the institution. Of the $7,668,977. in Reserve Fund and Profit and Loss Account, $5,886,810. has been contributed by the shareholders as premiums on new capital stock issued from time to time; the balance represents accumulated surplus earnings.

Dealing with the principal items in the Balance Sheet, which you have before you —Notes of the Bank in Circulation were $5,570,701., a decrease of $331,530., due to the gradual reduction in the amount of notes which the Bank may have in circulation under the provisions of the present Bank Act. As we pointed out at the last Annual Meeting, the notes outstanding will continue to decline year by year until they are brought down to 25% of the paid-up Capital.

Deposits Show Large Growth.

Deposits by the Public not Bearing Interest, $32,977,964., and Deposits by the Public Bearing Interest, $78,617,908., a total of $111,595,872., compared with $104,531,415, a year ago, show an increase of $7,064,457. On account of the lack of demand for commercial loans and the small yield obtainable on securities, the chartered Banks considered it advisable to reduce the rate of interest on deposits; on the 1st of January, 1936, they ceased paying altogether on Current Accounts and on the 1st June last, reduced the rate to Savings depositors by ½ of 1%—accounts of individuals now receive 1½% per annum, and those of firms, institutions, organizations and corporations ½ of 1%.

Acceptances and Letters of Credit Outstanding were $2,942,095., a decrease of $1,080,184. Last year some special outstanding transactions at our New York Agency made the total larger than it ordinarily would have been.

High Percentage in Liquid Assets.

The cash assets of the Bank at the end of the year, $26,289,533., were equivalent to 21.7% of the liabilities to the public. The readily realizable assets, including Government, Municipal and other bonds, and Call and Short Loans, amounted to $93,363,826., or 77% of the public liabilities, compared with 65.3 % in 1935.

An Increased Security Portfolio.

The Bank's total investments in securities were $51,538,902., an increase of $12,022,823., compared with a year ago. These investments have been very conservatively priced —as a matter of fact they have a market value in excess of the amount at which they are carried on the books. You will observe that $12,423,435. Dominion and Provincial Government securities mature within two years.

Call and Short Loans in Canada, $9,881,120., increased $2,624,862. from a year ago. Readily marketable stocks and bonds, with adequate margin, are held against these loans.

Call and Short Loans Elsewhere than in Canada, $5,309,169., show an increase of $2,027,102., and represent advances made at our offices in New York and London, Eng., against first-class securities. The increases in these call loans in Canada and elsewhere reflect higher prices for securities and greater activity.

Current Loans Reflect Business Requirements.

Current Loans and Discounts in Canada were $34,096,396., compared with $45,209,589. a year ago, a decrease of $11,113,193. Since 1929 the commercial loans of the Canadian chartered Banks have been steadily declining and this condition was accentuated in 1936 by the very much larger exports of wheat, the funds from which were used to reduce advances—the wheat situation will be commented upon later. If business continues to improve and commodity prices to rise—and the indications are that they will — commercial loans will undoubtedly increase. The Dominion Bank welcomes applications for advances, no matter how small the amount may be.

Loans to Cities, Towns, Municipalities and School Districts, were $1,873,789., compared with $2,830,263. on the 31st December, 1935, a decrease of $956,474.

Non-Current Loans, $340,280., show a slight decrease. Adequate provision has been made for all probable losses.

Bank Premises.

Bank Premises, $5,760,000. During the past year several of our offices were remodelled and it is our intention to make suitable alterations to our properties from time to time. The rental situation in Toronto has improved considerably in the past year or two. Vacant space in our Head Office building represents now only 2.6% of the total rentable area.

Real Estate other than Bank Premises and Mortgages on Real Estate Sold by the Bank, amount to only $125,818.

With regard to the Staff, which numbers 1,178—I cannot speak too highly of them. Their duties have been performed most efficiently and I would like to express my personal thanks to them.

New Branch Serves Mines.

On December 1st a Branch was opened at Geraldton, Ont., situated in the Thunder Bay district, 187 miles north and east of Fort William. This is a very promising mining district and we expect to develop a profitable business there.

Loans Decrease; Investments Increase.

On the 31st December, 1929, the total deposits of all the chartered Banks amounted to approximately two billion six hundred and ninety-seven million dollars, the loans to about two billion two hundred and ninety million dollars and investments to four hundred and forty-eight million dollars. On the 31st October, 1936—almost seven years later—the total deposits were two billion six hundred and sixty-nine million dollars, loans one billion one hundred and sixty-four million dollars and investments one billion three hundred and sixty-three million dollars. These figures show that while the deposits have changed very little, the loans have decreased one billion one hundred and twenty-six million dollars and investments in securities increased by nine hundred and fifteen millions.

Money Rates Subnormal.

One of the chief functions of the Banks is to lend money and this is their main source of revenue. During the long period of declining demand for advances, they have had to divert their funds to the purchase of first-class securities at low yields. Obviously, this means lower earnings, but to offset this, the rate of interest paid to depositors has been reduced and certain service charges inaugurated. Similar conditions obtain in Great Britain, the United States and in other countries. Ordinarily, low interest rates should result in money seeking employment in various new undertakings, as well as in the extension of existing enterprises, but in the present readjustment period this has not been the case—the uncertainty regarding the future has undoubtedly deterred people with money from making investments of this nature. Let us hope that this situation will change before long. Any condition which is subnormal or abnormal, is not desirable and interest rates are no exception. It is questionable whether the low rates now prevailing are beneficial to the people of Canada as a whole.

The Law of Supply and Demand Prevails.

Reverting to the wheat situation—a normal crop in Western Canada is 350 million bushels. During the past four years, however, it has averaged only about 250 million bushels, but notwithstanding this, Canada's carry-over varied from 130 million in 1929 to 219 million bushels in 1933. The crops in other grain-growing countries have recently been smaller and there has been a better demand for our wheat, at higher prices, particularly during the last few months, and it would appear that at the end of the current crop year (31st July next) it will be brought down to normal, or about forty to fifty million bushels. The price of a world-wide commodity such as wheat cannot be successfully controlled for any length of time—the old law of "supply and demand" is always working and must eventually prevail.

One of the greatest problems confronting the people of Canada to-day is the situation in Alberta. No one knows what legislation may be enacted in that Province or what the final outcome of that recently placed on the statute books will be.

Critics Speak for Minority.

The criticism against the Banks invariably emanates from persons whose financial standing does not warrant the extension to them of the credit to which they think they are entitled, or from those who do not really understand the facts. Seldom, if ever, is criticism made by, or on behalf of, depositors. The borrowers from all chartered Banks number approximately three hundred and ninety-four thousand, whereas there are some four million six hundred thousand depositors, so critics would be well advised to bear in mind that they are speaking for a minority, not the majority, of the people.

Stable Currencies Aid Trade.

The intention of Great Britain, the United States and France to stabilize the pound, dollar and franc on an equitable basis, is most constructive. Other Nations will probably follow their example. The three countries mentioned hold, collectively, over sixteen billion dollars of gold, representing 75% of the world's total. Uncertainty as to the value of the various currencies undoubtedly retards the interchange of commodities and merchandise between Nations; any movement that will promote, or increase, International trade is highly desirable.

In conclusion, I would like to say that in 1936 considerable progress was made in most lines of business—the exceptions being the durable goods industry and building, and even these are now showing improvement. We look forward to this progress continuing in 1937 — it is to be hoped, however, that speculation in commodities and securities will not get out of hand, and that the lessons of 1929, and the years immediately following, will not be forgotten.

Address of the President, MR. C. H. CARLISLE

The comments which you have heard from your General Manager give to the Shareholders a comprehensive analysis of the statement and the operations of your Bank, and the results of those operations. These are condensed in the Annual Balance Sheet, and, with such data already before you, there is little of value I can add pertaining directly to your Bank's affairs.

A Conservative Statement.

You will, of course, realize that it is sound practice to make up the Balance Sheet of a Bank on a most conservative basis — especially having regard to contingencies which are always in the path of an institution of the scope and character of a chartered bank. This practice has been followed in the statement with which you have been presented. Net profits show a very satisfactory increase over a year ago. During adverse business conditions credit losses are usually quite material, but all such losses have been written off and doubtful accounts have been amply provided for. Reserves have been materially increased and in my judgment are more than sufficient, having in mind the magnitude of your Bank's operations. In the last two or three years your Bank has sustained no current credit losses of importance. A number of doubtful accounts have been rehabilitated largely through assistance we have been able to render. A department has been created for this particular work and is in a position to give valuable service to the Bank's clients. I am much pleased with the work done.

A Representative Board.

Major-General Donald M. Hogarth, C.M.G., D.S.O., was recently elected a member of your Directorate. We are asking you today to confirm his election. General Hogarth has for many years been connected with the mining industry in Canada. His successful experience in mining, as well as in other undertakings, will be of service to your Bank. Until the election of General Hogarth you did not have on your Board a representative of the mining industry. Your Board is rather unique, as it is composed of few members, and yet represents so fully our national activities.

THE DOMINION BANK

Sixty-sixth Annual Statement

Balance of Profit and Loss Account, 31st December, 1935		$ 592,699 16
The Profits for the year ended 31st December, 1936, after making appropriations to contingency accounts, out of which accounts full provision for bad and doubtful debts has been made, and after deducting Dominion and Provincial Government Taxes of $202,248.66, amounted to		951,277 99
		$ 1,543,977 15
Dividends (quarterly) at Ten per cent. per annum	$ 700,000 00	
Contribution to Officers' Pension Fund	75,000 00	
Written off Bank Premises	100,000 00	
		875,000 00
Balance of Profit and Loss Account carried forward		$ 668,977 15

GENERAL STATEMENT

31st December, 1936

LIABILITIES

Capital paid up			$ 7,000,000 00
Reserve Fund		$ 7,000,000 00	
Balance of profits as per Profit and Loss Account		668,977 15	
Dividend No. 217, payable 2nd January, 1937		175,000 00	
Former Dividends unclaimed		807 33	
			7,844,784 48
Total Liabilities to the Shareholders			$ 14,844,784 48
Notes of the Bank in circulation		$ 5,570,701 50	
Deposits by and balances due to Dominion Government	$ 270,896 81		
Deposits by and balances due to Provincial Governments	611,650 27		
Deposits by the public not bearing interest	32,977,964 89		
Deposits by the public bearing interest, including interest accrued to date of statement	78,617,908 43		
		112,478,420 40	
Deposits by and balances due to other Chartered Banks in Canada		1,661,828 51	
Deposits by and balances due to Banks and Banking Correspondents in the United Kingdom and foreign countries		1,118,482 31	
Liabilities to the public not included under the foregoing heads		340,073 19	
			121,169,505 91
Acceptances and Letters of Credit outstanding			2,942,095 86
			$138,956,386 25

ASSETS

Gold held in Canada	$ 589 15		
Subsidiary coin held in Canada	235,288 04		
Gold held elsewhere	112 96		
Subsidiary coin held elsewhere	661 96		
		$ 236,652 11	
Notes of Bank of Canada	$ 2,663,056 50		
Deposits with Bank of Canada	12,686,961 59		
		15,350,018 09	
Notes of other Chartered Banks		340,040 00	
Government and Bank notes other than Canadian		92,264 32	
Cheques on other Banks		8,738,755 13	
Due by Banks and Banking Correspondents elsewhere than in Canada		1,531,803 88	
		$ 26,289,533 53	
Dominion and Provincial Government direct and guaranteed Securities, maturing within two years, not exceeding market value		12,423,435 76	
Other Dominion and Provincial Government direct and guaranteed Securities, not exceeding market value		29,909,689 68	
Canadian Municipal Securities, not exceeding market value		5,204,605 44	
Other Bonds, Debentures and Stocks, not exceeding market value		4,001,171 92	
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover		9,881,120 50	
Call and Short (not exceeding thirty days) Loans elsewhere than in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover		5,309 169 34	
Deposit with the Minister of Finance for the security of note circulation		345,100 00	
			$ 93,363,826 17
Current Loans and Discounts in Canada, not otherwise included, estimated loss provided for		$ 34,096,396 58	
Loans to Cities, Towns, Municipalities and School Districts		1,873,789 64	
Current Loans and Discounts elsewhere than in Canada, not otherwise included, estimated loss provided for		262,896 50	
Non-current Loans, estimated loss provided for		340,280 76	
Bank Premises, at not more than cost, less amounts written off		5,760,000 00	
Real Estate other than Bank Premises		87,326 13	
Mortgages on Real Estate sold by the Bank		38,492 84	
Other Assets not included under the foregoing heads		191,281 77	
			42,650,464 22
Liabilities of Customers under Acceptances and Letters of Credit, as per contra			2,942,095 86
			$138,956,386 25

C. H. CARLISLE, *President.*　　DUDLEY DAWSON, *General Manager.*

AUDITORS' REPORT TO SHAREHOLDERS

We Report to the Shareholders of The Dominion Bank:—

That we have examined the above Balance Sheet as at December 31st, 1936, and compared it with the books and vouchers at Head Office and with the certified returns from the Branches. We have examined the cash, and the securities representing the Bank's investments, held at the Head Office and certain of the larger Branches as at December 31st, 1936, and in addition we examined the cash and the securities held at certain of the important branches during the year. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In our opinion the Balance Sheet discloses the true condition of the Bank and is as shown by the books of the Bank.

A. B. SHEPHERD, F.C.A.,
of Peat, Marwick, Mitchell & Co.

W. D. GLENDINNING, C.A.,
of Glendinning, Gray & Roberts.

TORONTO, JANUARY 16th, 1937.

Banking During the Depression.

The success of banking, likely more than any other business enterprise, depends on public confidence. To have confidence, one must first earn it. Canadian chartered banks have merited, and now merit, confidence—first, by their financial soundness, and second, by the service rendered. The retarded business conditions following the year 1929 bore heavily on the banks of all nations. This strain was greater than many could bear, the losses were great, the consequences were dire, and those consequences fell on the whole community. During this period no Canadian bank failed, no Canadian industry or individual suffered loss due to banks. On the other hand, our banks were in a position to help very generally, in our time of stress. Our chartered banks date back to 1817. From that time till now they have played an important part in the building of our national structure. They are today continuing that work and performing it with an efficiency unequalled in the past.

The Banks and Government Financing.

In a recent issue of The Financial Post some interesting information is given as to the important functions of chartered banks in relation to Government financing: "Since the end of 1929 the total debenture debt of the Dominion and of the Provinces has increased $1,516,000,000. In the same period bank holdings of Federal and Provincial securities have increased $965,000,000. Thus the banks have financed 63.6% of Government deficits and capital requirements in the past seven years. The total new financing by the Dominion and Provincial Governments in 1936 to December 1st amounted to $114,000,000. Investments of the chartered banks as of October 31st last in Dominion and Provincial bonds were $130,600,0000. higher than at the first of the year. Dominion Government bonds held by the Bank of Canada at December 2nd last were $50,400,000 higher than at the end of 1935; thus it is evident that the chartered banks and the Bank of Canada, in addition to financing the cash requirements of the senior Governments in Canada during 1936 have purchased an additional $66,700,000. of Dominion and Provincial bonds formerly held by other investors."

In ten months prior to October 31st, the Canadian banks have increased their holdings in municipal bonds by $12,800,000. and have increased in the ten months their holdings of securities in Canadian corporations by $50,600,000. Besides the service rendered to our different Governments and our own corporations, the banks served some hundreds of thousands of individuals not only for their local banking requirements, but for their business in the different countries throughout the world.

Loan Rates Equitable.

The loaning rates charged by the Canadian chartered banks have been very consistent and equitable. These rates have necessarily varied with the market value of money, but such variations have been kept within a moderate range. This policy has done much to aid every phase of our national activity. There are some 2,216 individuals, estates and institutions who own the shares of our Bank. Most of the shares are held in Canada. The return on their investments is only moderate. The officials and employees of our banks are not overpaid when compared with the same service required in industry. If the foregoing statements be correct, it is difficult to understand the severe and usually incorrect criticisms which appear from time to time of our banks and financial men.

Taxes 78% of Dividends.

The chartered banks are being retarded by certain legislation, such as the curtailment of note circulation privileges; the loss to them of certain banking functions now performed by the Bank of Canada; the requirements in respect to fixed reserves to be maintained with the Bank of Canada; prohibiting the purchase or sale of gold in Canada; legislation which adversely affects loans already made and securities purchased. The chartered banks in 1935 paid $8,585,943. in taxes. To those of you who have money invested in The Dominion Bank I can say that for every dollar you received in dividends the Bank paid seventy-eight cents in taxes—that is, taxes amounted to 78% of dividends paid. If our banks are to maintain the confidence they now enjoy, if they are to become a greater factor in our national and international business, if they are to serve you better, then it means better co-operation on the part of both Government and our people at large.

Continued Recovery Conditional.

It is quite true that much of success is due to competent management, but there are factors which affect results that are not within the control of management. One of these factors is general business conditions. These conditions may be local or international or both. At this time there is a greater demand for goods and prices are higher. This change is likely due in a great degree to monetary inflation and demand for war supplies and war materials. In Canada our monetary inflation is in the form of an advanced price for gold and in the issuance of bonds to finance deficits of our Municipal, Provincial and National Governments. It is not likely that war preparations are permanent, and it is not possible to continue indefinitely to liquidate an increasing debt by issuing bonds, entailing an ever greater carrying charge.

Lessons of Experience.

Experience has taught us that depressions are not permanent, neither are periods of prosperity permanent. We would be remiss if we had not learned something from the things we did not do prudently in the years just prior to 1930, nor should we forget the lessons driven home to us by experience in the years since 1929. We should not choose to resume our extravagant practices, the pyramiding of prices and staking our all on an inflated stock market. Canada is making progress; she should continue to make progress. Our different Governments, I believe, are giving their best efforts for our welfare, regardless of partyism. We owe them our utmost support. We can aid most by understanding conditions and basing our activities on these conditions. We have some real problems with which we must deal before we become extravagant, either as individuals or Governments.

A Heavy Indebtedness.

As a people we are heavily in debt. Nearly all of our multiplied Governments have unbalanced budgets. Our Canadian National Railways is still causing us a loss of over $110,000,000 per year. The writing down of its capital or changing of its bookkeeping records does not, and cannot, mitigate our loss by as much as one dollar. Our unemployment relief burden still rests heavily upon us. The fiscal year closing in March last showed an outlay by all of our different Governments in the neighborhood of $100,000,000, $60,000,000 of which was paid in direct relief, while our own Province (Ontario) paid out $21,000,000. Our Provincial Governments have much to do in the way of economy and the elimination of duplication of work. The Honourable Mitchell F. Hepburn, Prime Minister of Ontario in a recent address, suggested that it would be to the advantage of the Province to have the National Government take over three of the Departments of his Government. In this he should have the undivided support of the whole Province.

Results of Higher Taxation.

At the present time, to meet these enormous expenses we are resorting, as a principal means, to high taxation and class taxation. Looking at it from the standpoint of national welfare only, is this the best way out? High taxation within a country increases costs, decreases sales, retards production and increases unemployment. Excessive class taxation may be an asset to party politics as a means of securing votes, but it undoubtedly retards national progress and development, and brings injury to working people. Large accumulated wealth may be an asset or a detriment, depending entirely on whether it is used properly or misused.

Wealth and National Progress.

History shows that accumulated wealth is essential to national progress; history will continue to show it to be essential. Those who have accumulated wealth through production and in different channels of business have in the process created employment, and as year succeeds year they continue to use that wealth for the benefit of the many. It is surprising how little has been, or can be used by the owner for his personal gratification; that is, how little it is possible for him to use personally. A farmer who, through his knowledge of tillage, through his energy and management sows a bushel of wheat and reaps thirty bushels, should not be censured or caused to pay an extra tax because he has produced more than the average. The wheat he has raised is for the benefit of others—we are all advantaged by his production. Money taken from one group of persons or from industry or from a certain locality and given to others or to Governments does not increase the wealth of a country, it merely changes the ownership.

Essentials to Progress.

When the budgets of our Governments are balanced; when our business activities are on a stable basis—the goal for which to strive, and which can only be reached when our expenses are materially less than our income; when production adjusts itself to the purchasing power created, when, by greater efficiency, less taxes and expenses, advanced technology and better management, we can attain lower costs and higher quality of product, these achievements will entitle us to a better and more permanent position in foreign markets. It seems difficult to bring home to very large numbers of people the very plain and simple fact established through centuries of experience, not only in our own country, but in all countries, that every class prospers most when there is a maximum creation of real wealth, and that this maximum creation of real wealth can only take place, not by artificially higher prices, but by lower costs of production brought about firstly, by sound and dependable business conditions—that is, effective law enforcement and security of property; secondly, by greater efficiency and economy in methods of production; thirdly, by lower taxes and public expenses bearing down on enterprise; and, fourthly, and by no means least important, by fair wages. If in this country attention could be concentrated on these very simple truths, it is certain that progress out of our difficulties would be steady and continuous. There is no record, so far as I know, of success by any other methods, at any time, in any country.

Bank Chat

Recently, The Post was informed that not one of the chartered banks has shown a profit on operations in Saskatchewan over a period covering the last 10 years. Further, that combined losses of the banks on business in that province ran into a very substantial amount.

In view of the fact that this was said to summarize a brief submitted to the Saskatchewan Tax Commission, findings of the commission in respect to bank taxation are of particular interest. Contending that under the existing method taxes paid by the banks do not seem to bear any relation either to ability to pay or benefit received, the commission recommends that all financial companies, banks included, pay a tax of 3% of gross income or gross earnings derived from business in Saskatchewan.

It has been computed that banks are currently paying about 2.25% on gross revenue. In other words, the recommendation, if given effect, would mean a 33% hoist in taxes paid by the banks to Saskatchewan. Finance companies, on the other hand, stand to benefit materially as they now pay about 10% of gross income.

* * *

Big Banks

RANKING of the "Big Ten" banks in the United States at the end of 1936 shows little change from that of the previous year, according to a survey of the 300 largest banks compiled by the American Banker. Based on total deposits, three New York institutions head the list. Well in front—by more than $500 millions—is the Chase National with deposits of $2,286 millions. Next in line is the Guaranty Trust, third in 1935, which has switched places with the National City.

The only other change among the first 10 is replacement of Irving Trust, of New York, by the Manufacturers Trust Co., of the same city, as the tenth largest bank. Ranking in order of size from fourth to ninth, inclusive, is as follows:

Bank of America, San Francisco.
Continental Illinois National, Chicago.
Bankers Trust, New York.
First National, Chicago.
Central Hanover, New York.
First National, Boston.

If Canadian banks were included in the survey, they would show up very well indeed. The Royal and the Montreal would just manage to gain the last two places in the first 10. Barclays, youngest and smallest of the Canadian institutions, would be the only one not included in the list. Provincial would rank about 140th; all the others would come within the first 70.

* * *

Mint Notes

THE Royal Canadian Mint, as such, is a relatively young institution. It has carried that title for little more than five years. Prior to Dec., 1931, it was merely the Canadian branch of the Imperial Royal Mint and was directed from London.

Actually, the Mint has been in operation since early in 1908, and, according to a story in "The Canadian Banker," might have begun business the year before that. Apparently it had not been properly established in the Old Country that Ottawa was free from whooping Indians, because opening of the Mint was postponed for several months on insistence that a high railing be raised around the building.

The Ottawa Mint is the second in Canada. The first was in 1861 when British Columbia, then a Crown Colony, applied for permission to coin gold in $10 and $20 pieces. However, after striking a few gold pieces for the Government, the workers decided to do some striking on their own account, holding out for higher wages. That marked the end of the British Columbia minting experiment. Some of the coins are still in existence, however, and are very highly valued by collectors. On one occasion they were offered for sale at $8,000 to $10,000 each.

* * *

Pioneer Banks

PIONEER banking is not without its amusing incidents. Caduceus, staff magazine of the Canadian Bank of Commerce, relates a story of that bank's first office in a very remote district. The bank was temporarily housed in a diminutive log shack, the intention being to purchase more substantial quarters as business warranted.

In the meantime, however, canvas signs and window cards were displayed, boldly setting out the name of the bank, its paid-up capital and reserve. The staff was quite proud of these signs, and failed altogether to note their inconsistency with the type of building until a hard-bitten farmer from the western States drew it very rudely to their attention.

Familiar only with the small individual banks in his home state, the westerner picked up one of the display cards and flourishing it indignantly under the nose of the manager, bellowed: "Say, mister, does that sign read 'Paid-up Capital $15 Millions.'"

"Yes, it does," was the reply.

"Humph," muttered the irate visitor, "You wouldn't get away with this blankety-blank skin game in the country I come from."

It was only then it dawned upon the staff that he had taken it for granted that the small shack constituted the bank's entire realty.

Typical Embezzler Revealed As Much-Misunderstood Man

The typical embezzler is just the man one thinks he isn't.

A survey recently completed by the United States Fidelity and Guaranty Co., based on 1,001 embezzlement cases recorded in their files, brings to light some very surprising facts regarding a much "misunderstood" class.

The typical embezzler is a white collar worker, about 36 years old. He is married, has two children. He is neither psychopathic nor of feeble mind. He does not live in a neighborhood where crime is widespread. His upbringing has been good. He is about midway down the list in his employer's salary record. His friends, and very often his wife, imagine his salary is $300 a month or more; it is nearer $175.

He lives comfortably, owns a medium-priced automobile, last year's vintage, on which a balance is still owing. He is a good mixer, participates in social and community affairs. He is competent and smart. He has held his position for five and a half years. His employer regards him favorably, and he has honestly earned the position of trust to which he has attained.

In short, so far as his past record is concerned, he is a regular fellow, a normal individual with a better-than-average business reputation and prospects.

Yet the 1,001 cases covered by the survey show that the culprits got away with more than $6 millions of employer's property. Insurance was carried against little more than half that amount.

What leads the average embezzler to steal? In more than 25% of the cases, it is some type of speculation, gambling or drink. "Women and domestic trouble" account for 11%, poor business management for 14%. Sickness in the family account for a further 6%. Less than 5% show established criminal tendencies.

The study also shows that 91% of the embezzlers were supervised, accounts and stocks for which they were responsible being checked or audited at regular intervals.

Bank of Canada Weekly Statement

Note circulation of the Bank of Canada showed a further, seasonal decline of $2.4 millions in the week ended Jan. 20. Other changes include substantial increases in deposits, both Government and chartered bank, and in reserve held in sterling and American funds.

Balance Sheet

	Jan. 20 $	Jan. 13 $
Liabilities		
Capital paid-up	10,100,000	10,100,000
Notes in circ.	128,712,983	131,155,209
Rest fund	173,092	173,092
Dep.: Dominion	24,226,490	19,121,841
Banks	190,919,263	188,845,643
Other	1,763,491	2,190,901
Total deposits	216,909,244	210,158,385
All other liabs.	2,426,660	2,790,239
Total liabs.	358,321,979	354,376,925
Assets		
Reserve: old	179,529,814	179,423,005
Silver Bullion	2,244,492	2,257,031
Res. in sterling and U. S.	13,992,030	9,599,212
Total reserve	195,766,336	191,279,248
Subsidiary coin	183,548	173,857
Investments:		
Dom Govt. short	60,982,299	61,532,561
Other Dom. Govt.	97,907,723	98,092,977
Total invest	158,890,022	159,625,538
Premises	350,215	350,819
All other assets	3,131,857	2,947,463
Total assets	358,321,979	354,376,925
Reserve ratio	56.64%	56.04%

Weekly Bank Clearings

	Jan. 21 1937 $	Change year ago %	Jan. 14 1937 $
Halifax	2,483,597	+22.8	2,512,900
Saint John	2,028,923	+50.9	1,931,155
Moncton	697,861	+ 8.4	831,638
Sherbrooke	564,859	+16.5	615,662
Quebec	5,152,425	+52.8	4,932,417
Montreal	122,973,887	+30.3	119,342,270
Ottawa	15,764,701	+ 3.1	16,968,925
Kingston	555,074	+24.8	523,726
Peterborough	672,602	+17.9	562,664
Toronto	167,433,612	+52.3	139,331,863
Hamilton	4,792,741	+16.8	4,428,392
Kitchener	1,147,965	+17.4	987,049
Brantford	968,365	+29.8	971,346
London	2,963,187	— 1.3	2,776,384
Chatham	559,041	+19.5	559,772
Windsor	3,029,103	+12.8	2,793,911
Sarnia	425,878	—10.4	445,760
Sudbury	850,894	+28.2	1,041,808
Fort William	996,354	+83.9	837,713
Winnipeg	35,679,146	+33.1	32,855,557
Brandon	275,929	+18.6	236,268
Regina	2,788,074	+14.8	2,926,114
Moose Jaw	554,894	+10.0	491,355
Saskatoon	1,277,514	+ 6.0	1,345,197
Prince Albert	328,931	+22.5	307,769
Edmonton	4,269,481	+ 3.7	3,818,518
Calgary	5,706,012	+ 5.8	5,457,211
Medicine Hat	204,162	—22.9	181,054
Lethbridge	343,081	—10.4	356,100
N. W'minster	556,818	+14.3	565,790
Vancouver	21,878,981	+31.2	19,289,250
Victoria	1,658,756	+ 4.4	1,736,148

New Mining Branch

The Bank of Montreal has announced the opening of a branch at Goudreau, Ont., providing the first banking facilities in that community, where several gold mining developments are under way.

Nova Scotia Net Earnings Are Higher

Per Share Profits Rise From $14.33 to $14.85

Moderately increased earnings and strengthened liquid position feature the annual report of the Bank of Nova Scotia for the year ended Dec. 31, 1936.

In large measure reflecting savings from reduction in rates of interest paid on deposits, net earnings for the year amounted to $2,400,954 or $66,317 more than in the previous year. Taxes were appreciably lower, but this was more than offset by a $30,000 increase in appropriation to pension fund, leaving net profits at $1,781,686, compared with $1,719,175 in 1935. In terms of earnings per share this represents an increase from $14.33 to $14.85.

Payment of dividends at the same 12% rate and allowing for write-off on premises of $250,000, surplus for the year is shown at $91,686, which, added to previous surplus, leaves a balance carried forward of $803,316.

Details of operating results are as follows:

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Net earnings	2,400,954	2,234,637
Less: Taxes	474,268	500,462
Pension fund	145,000	115,000
Net profits	1,781,686	1,719,175
Less appropriations:		
Dividends	1,440,000	1,440,000
W/o bank premises	250,000	250,000
Surplus for year	91,686	29,175
Add: Prev. surplus	711,630	682,455
Balance forward	803,316	711,630

The balance sheet shows an increase of almost $12 millions in quick assets, bringing the total to $184,580,676, or 71% of all liabilities to the public. In 1935, this ratio was 68.7%. Most of the increase is attributable to an advance in call loans in Canada, which more than doubled at $14.2 millions, reflecting more active security markets. Unlike most of the other chartered banks, deposits with the Bank of Canada are somewhat lower than a year ago, with cash position slightly less favorable.

Government and municipal security holdings show little change from 1935. Those listed under "other securities," however, consisting of high-grade, short-term corporation bonds, advanced from $10.1 millions to $14.2 millions.

Current Loans Lower

As has been the case with all the banks, current loans, mainly loans for commercial purposes, are lower. This is entirely due to repayment of loans against wheat and the bank's share of an advance made by the chartered banks to the Canadian Pacific Railway. Apart from these, commercial loans are higher than a year ago.

Major change among liabilities is a switch in public deposits from interest-bearing to non-interest-bearing classification. This reflects, of course, elimination of interest on current accounts early in 1936. Note circulation shows a further reduction in line with provisions of the revised Bank Act following establishment of the Bank of Canada.

Comparative general statements for 1935 and 1936 are as follows:

General Statement as at Dec. 31

	1936 $	1935 $
Assets		
Gold & subsid. coin	2,136,107	2,750,831
Notes of Bk. of Can.	3,561,987	2,980,732
Dep. with Bk. of Can.	20,125,842	22,738,276
	25,823,936	28,469,839
Notes of other banks	434,640	535,142
Cheques on other bks.	11,894,928	11,397,462
Foreign currency	3,948,201	3,206,379
Due by bks. abroad	7,808,371	7,781,615
Call loans in Canada	14,164,751	5,917,439
Call loans elsewhere	2,684,759	2,444,212
	40,935,650	31,282,249
Govt. securities*:		
Short term	34,614,771	35,394,313
Others	55,571,899	54,385,653
Candn. munic. secs.*	12,702,696	12 455,823
Pub. secs., foreign	820,067	941,950
Other securities*	14,111,657	10,067,303
	117,821,090	113,245,042
Total quick assets	184,580,676	172,997,130
Current loans & discts.:		
Abroad	16,676,469	14,459,810
In Canada	71,608,491	77,987,842
To prov. govts.	887,467	637,162
Munic. & school dist.	5,770,363	5,953,667
Non-current loans	718,662	797,254
	95,661,452	99,835,735
Bank premises	6,653,837	7,008,924
Mortgages on real est.	99,669	100,967
Letters of credit	6,699,886	5,583,112
Dep. re circ. fund	584,014	567,004
Controlled cos.	2,6000,000	2,650,000
Other assets	79,733	80,016
	16,717,139	15,990,023
	296,959,267	288,822,888
Liabilities		
To the Public		
Circulation	9,415,910	9,714,396
Deps. by & bal. due to:		
Dominion govt.	635,848	255,372
Provincial govts.	964,738	851,319
Deposits by public:		
Non-int. bearing	58,077,949	46,867,438
Interest bearing	178,833,026	183,235,959
To banks in Canada	2,711,043	2,319,248
To banks abroad	2,128,375	1,985,506
Bills payable	23,889	623,251
Letters of credit	6,699,886	5,583,112
Other liabilities	303,269	313,597
	259,793,933	251,749,198
To the Shareholders		
Dividends unpaid	362,018	362,060
Reserve fund	24,000,000	24,000,000
Capital stock	12,000,000	12,000,000
Surplus	803,316	711,630
	37,165,334	37,073,690
	296,959,267	288,822,888

*At not exceeding market value.

Deer Park Manor Pays Dec., '35, Interest Coupon

Bondholders in Deer Park Manor Ltd., have been advised that the interest coupon due Dec. 1, 1935, will now be paid. The company owns a 28-suite apartment building on St. Clair Avenue near Yonge Street, Toronto, and in the past two years has made considerable progress in catching up on interest payments.

Bondholders are advised that there is only one vacancy in the building at present but difficulties have been encountered in getting rents increased. Until this can be done it is claimed that interest cannot be expected to be paid regularly.

Barclays Bank Is Friend To the "Man on the Street"

Analysis of loans made by Barclays Bank shows that more, both in amount and numerically, are made to "the man on the street" than to any other single class of borrower.

Speaking to shareholders at the annual meeting last week, Chairman Edwin Fisher placed the total of such loans, made to professional and private individuals, at £58.7 millions, and the number of such borrowers at nearly 118,000. This represents 34% of total loans by the bank, and well over 50% of all borrowers.

"Although under normal conditions," stated Mr. Fisher, "we consider it essential to know the purpose for which an advance is made, yet when we are lending to reputable professional and private customers, it is not always possible for us to ascertain the exact use to which the money will be put. No doubt the bulk of the sums borrowed is used directly or indirectly to finance industry, whether wholesale or retail, productive or otherwise."

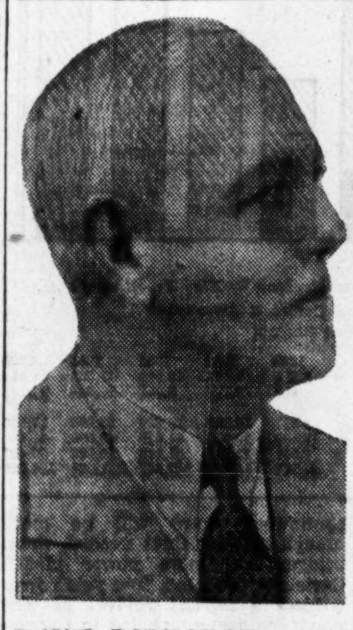
Loan Classification

A survey of these loans made by Barclays places them in three subclassifications. Those made for the purpose of buying land or houses account for £17.4 millions; those for investment, £9.6 millions; and the third and miscellaneous group, further classified to show the occupation of the borrower, £21.7 millions. In respect to the first classification, it is explained that in most cases the advances are required for short periods only, pending realization of other assets, or obtaining a long-term loan through mortgage lending institutions.

The survey as prepared by the bank is as follows:

Loans to Individuals

	Amount £	Ratio to Total Advances	Number of Borrowers
To buy land or houses	17,408,429	10.1	16,682
For investment	9,625,189	5.6	5,867
Miscellaneous:			
Accountants	691,106	0.4	1,535
Architects, auctioneers, estate agents, surveyors, consulting engineers	2,296,249	1.3	2,627
Military officers, clergymen	502,297	0.3	2,356
Company directors, travellers, managers, promoters, secretaries, salaried officials and clerks	8,535,758	4.9	22,151
Physicians, surgeons, dentists, etc.	2,523,274	1.5	4,724
Solicitors and barristers	2,041,838	1.2	2,186
Teachers, examiners, etc.	426,394	0.2	2,917
Retired businessmen, etc.	11,502,924	6.7	44,482
Other employments	3,109,252	1.8	12,381
	58,662,710	34.0	117,917



BANK DIRECTOR

Major General D. M. Hogarth, C.M.G., D.S.O., of Port Arthur, who has been elected a director of the Dominion Bank. General Hogarth has been closely associated with the mining industry for a number of years and is a director of several well-known mining companies.

Complete Sale Of P. T. Legaré

New Company To Show Bonds Interest Earned in 1936

From Our Own Correspondent

MONTREAL.—Reorganization of P. T. Lagaré Co., Quebec merchandising firm, has been completed with the sale of assets by authorization of the bondholders to a new company, The Legaré Co. Ltd. Purchase of the assets by the new company has been ratified and letters patent incorporating The Legaré Co. Ltd. have been issued at Ottawa.

The new board of directors is comprised of Louis D. Hudron, president, and J. A. Gagne, Hon. Lucien Moraud, Louis Gelinas, E. R. Angus, M. G. Angus, and G. R. Munnoch.

It is understood the report for 1936 will show profits sufficient to cover depreciation and interest on the $397,475 of new 6% bonds. With the issue of new bonds, a pro forma balance sheet at Sept. 30, 1936, shows working capital of 754,047, with all taxes and bank loans paid.

Under the sale and reorganization, bondholders of P. T. Legaré Co. are entitled to receive, for $100 face value of old bonds, $25 of new 6% bonds and three $25 shares of new preferred stock.

Holders of the former preferred and common shares were wiped out completely by the bankruptcy. Assets were insufficient to satisfy the claims of creditors, but the first mortgage bondholders still have a possibility of regaining their capital through their holdings in the new company.

Staff Changes

The Royal Bank has made the following changes in staff:

H. W. RIEPERT, formerly in the assistant manager's department, Toronto, to be manager at Burlington, Ont.

M. A. ESPINOSA, formerly accountant at Santiago de Cuba, to be manager at Sancti Spiritus, Cuba.

The Bank of Montreal has announced the following appointments:

R. M. ALLAN, formerly at Toronto, to be manager at Goudreau, Ont.

J. P. BELLEY, formerly at Papineau and St. Catherine, Montreal, to be manager at Longueuil, Que.

J. W. MICHEL, formerly manager at Longueuil, to be manager at Mont Joli, Que.

J. L. E COTE, formerly manager at Mont Joli, to be manager at Drummondville, Que.

A. C. KING, formerly at Bowsman River, to be manager at Fife Lake, Sask.

E. D. McPHAIL, formerly manager at Fife Lake, to be manager at Schreiber, Ont.

W. A. HERRIOT, formerly manager at Schreiber to be manager at New Toronto.

R. H. MAGWOOD, formerly manager at Norwich, to be manager at Kincardine, Ont.

R. H. SEAMAN, formerly manager at Kincardine, to be manager at Port Hope, Ont.

W. B. E. READE, formerly manager at Port Hope, to be manager at Oakville, Ont.

R. J. GILROY, formerly accountant at Ridgetown, to be manager at Manitowaning, Ont.

S. L. PEPPIER, formerly manager at Little Current, to be manager at Bloor and Windermere, Toronto.

J. BURDOCK, formerly manager at Bloor and Windermere, to be manager at Central Market, Hamilton.

J. JOHNSTON, formerly assistant manager, foreign exchange department, head office, to be manager, foreign exchange department, head office.

AUSTRALIA and NEW ZEALAND.

BANK OF NEW SOUTH WALES

(ESTABLISHED 1817)

(With which the Western Australian Bank & The Australian Bank of Commerce Ltd. are amalgamated)

Paid-up Capital	£8,780,000
Reserve Fund	6,150,000
Reserve Liability of Proprietors	8,780,000
	£23,710,000
Aggregate Assets 30th Sept., 1936	£115,150,000

A. C. DAVIDSON, General Manager.

780 BRANCHES and AGENCIES in the Australian States, New Zealand, Fiji, Papua, Mandated Territory of New Guinea, and London. The Bank transacts every description of Australasian Banking Business. Wool and other Produce Credits arranged.

HEAD OFFICE: GEORGE STREET, SYDNEY.
London Offices:
29, THREADNEEDLE STREET, E.C. 2 | 47, BERKELEY SQUARE, W.1.

Agency arrangements with Banks throughout Canada.

Banking by Mail

BRANCHES IN THE NORTHERN MINING COUNTRY
Beardmore
Cobalt
Cochrane
Englehart
Fort William
Hearst
Jellicoe
Kapuskasing
Kenora
Kirkland Lake
Matheson
New Liskeard
Noranda
North Bay
Pickle Crow
Port Arthur
Red Lake
Sault Ste. Marie
Sioux Lookout
S. Porcupine
Sudbury
Thessalon
Timmins

Mining men, lumbermen, merchants and settlers are reminded that it is perfectly easy and quite safe to carry on business with any of our branches by mail. The Bank will promptly acknowledge all deposits, and any instruction you may wish to give will be carried out with proper attention to detail. Address yourself to any branch on your line of communication—by air or otherwise—and service will follow.

IMPERIAL BANK OF CANADA

HEAD OFFICE - TORONTO

Branches throughout Canada

157

105th Annual Statement

The Bank of Nova Scotia

Capital Paid Up
$12,000,000

Reserve Fund
$24,000,000

PROFIT AND LOSS

Balance December 31st, 1935	$ 711,629.74
Net profits for the year ending December 31st, 1936, after Dominion and Provincial taxes $474,268.46 and after making appropriations to Contingent Accounts out of which accounts full provision for Bad and Doubtful Debts has been made	1,926,686.56
	$ 2,638,316.30
Dividends Nos. 265, 266, 267 and 268 at twelve per cent. per annum	$ 1,440,000.00
Contribution to Officers' Pension Fund	145,000.00
Written off Bank Premises	250,000.00
Balance carried forward December 31st, 1936	803,316.30
	$ 2,638,316.30

GENERAL STATEMENT AS AT DECEMBER 31st, 1936
LIABILITIES

Capital paid up		$ 12,000,000.00	
Reserve fund		24,000,000.00	
Dividends declared and unpaid		362,017.95	
Balance of profits, as per profit and loss account		803,316.30	
			$ 37,165,334.25
Notes in circulation		$ 9,415,910.50	
Deposits by and balances due to Dominion Government	$ 635,848.36		
Deposits by and balances due to Provincial Governments	964,737.72		
Deposits by the public not bearing interest	58,077,948.87		
Deposits by the public bearing interest, including interest accrued to date of statement	178,833,025.87		
		238,511,560.82	
		$247,927,471.32	
Deposits by and balances due to other chartered banks in Canada		2,711,043.12	
Deposits by and balances due to banks and banking correspondents in the United Kingdom and foreign countries		2,128,374.63	
Bills payable		23,888.70	
			$252,790,777.77
Acceptances and letters of credit outstanding			6,699,886.11
Liabilities to the public not included under the foregoing heads			303,269.15
			$296,959,267.28

ASSETS

Gold held in Canada	$ 2,120.64	
Subsidiary coin held in Canada	365,621.98	
Gold held elsewhere	4,564.01	
Subsidiary coin held elsewhere	1,763,801.03	
Notes of Bank of Canada	3,561,986.75	
Deposits with Bank of Canada	20,125,842.49	
Notes of other chartered banks	434,640.24	
Government and bank notes other than Canadian	3,948,200.58	
		$ 30,206,777.72
Cheques on other banks		11,894,927.62
Due by banks and banking correspondents elsewhere than in Canada		7,808,371.11
		$ 49,910,076.45
Dominion and provincial government direct and guaranteed securities, maturing within two years, not exceeding market value		34,614,771.14
Other Dominion and provincial government direct and guaranteed securities not exceeding market value		55,571,899.30
Canadian municipal securities, not exceeding market value		12,702,695.69
Public securities other than Canadian, not exceeding market value		820,066.96
Other bonds, debentures and stocks, not exceeding market value		14,111,656.64
Call and short (not exceeding thirty days) loans in Canada on stocks, debentures, bonds and other securities, of a sufficient marketable value to cover		14,164,751.45
Call and short (not exceeding thirty days) loans elsewhere than in Canada on stocks, debentures, bonds and other securities, of a sufficient marketable value to cover		2,684,758.96
		$184,580,676.59
Current loans and discounts in Canada, not otherwise included, estimated loss provided for	$ 71,608,491.41	
Current loans and discounts elsewhere than in Canada, not otherwise included, estimated loss provided for	16,676,469.14	
Loans to provincial governments	887,467.14	
Loans to cities, towns, municipalities and school districts	5,770,363.15	
Non-current loans, estimated loss provided for	718,661.23	
		$ 95,661,452.07
Liabilities of customers under acceptances and letters of credit as per contra		6,699,886.11
Mortgages on real estate sold by the bank		99,668.62
Bank premises, at not more than cost, less amounts written off		6,653,837.29
Deposit with the Minister of Finance for the security of note circulation		584,013.62
Shares of and loans to controlled companies		2,600,000.00
Other assets not included under the foregoing heads		79,732.98
		$296 959,267.28

J. A. McLEOD, President

H. F. PATTERSON, General Manager

Auditors' Report to the Shareholders:

We have examined the above General Statement of Liabilities and Assets as at December 31st, 1936, and compared it with the books at the Chief Office and with the certified returns from the Branches. The Bank's investments and cash on hand at the Chief Office and at the Toronto and Montreal Branches were confirmed by us at the close of business on December 31st, 1936. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

We report that in our opinion the above statement discloses the true condition of the Bank and is as shown by the books of the Bank.

D. McK. McCLELLAND, F.C.A., of Price, Waterhouse & Co.
A. B. SHEPHERD, F.C.A., of Peat, Marwick, Mitchell & Co.
} Auditors.

TORONTO, CANADA, 15th January, 1937.

Tenders for Capital Stock of The Consumers' Gas Company of Toronto

$500,000

5,000 Shares - Par Value $100 each

Sealed tenders, addressed to the Consumers' Gas Company of Toronto, 19 Toronto Street, Toronto, Ont., and marked "Tender for Capital Stock", will be received by the Consumers' Gas Company of Toronto until 12 o'clock noon of the 4th day of February, 1937, for the purchase, in lots of any desired number of shares, of Five Thousand (5,000) shares of the unissued capital stock of the said Company (each share having a par value of $100.00), subject to certain conditions and terms of sale, the particulars of which, together with the form of tender to be used, may be had on application at the office of the Company at the above address.

Dated at Toronto, this 4th day of January, 1937.

By order of the Board of Directors.

EDWARD J. TUCKER,
General Manager.

NOTICE to HOLDERS OF DEBENTURES

Issued by The City of Calgary, Canada

The Sinking Fund Trustees of the City of Calgary will apply on Monday, the 8th day of March, A.D 1937, at 10 A.M. in Chambers in the Court House in Calgary, Alberta, for advice and directions involving the rights of Debenture Holders as against the Consolidated Sinking Fund of the City of Calgary and as amongst themselves.

Such advice and directions are necessary because by reason of various causes the moneys and investments held are in actual value materially less than the actuarial requirements of the Fund, and because the future earnings of the Fund are in imminent danger of being reduced below the statutory requirement.

The Trustees have caused an Originating Notice to be issued returnable on the above date, and the said Notice and Affidavit of the Chairman and Secretary of the Trustees may be seen at the Office of the undersigned, 227a Eighth Avenue West, in Calgary, Alberta, and copies are lodged with the principal Offices of the Branches or Agencies of the Bank of Montreal in Vancouver, B.C., Edmonton, Alberta, Regina, Saskatchewan, Winnipeg, Manitoba, Toronto, Ontario, Montreal, Quebec St. John, N.B., Halifax, N.S., New York, New York, and London, England.

FURTHER TAKE NOTICE that the following persons have been by the Court appointed to represent for all the purposes of this proposed application the category of Debenture Holders set opposite their respective names and addresses, namely:

J. E. A. Macleod, K.C., Canada Life Bldg., Calgary, Alberta, Holders of Debentures outstanding 1st day of June, A.D. 1925.

D. S. Moffat, K.C., Grain Exchange Bldg., Calgary, Alberta, Holders of Debentures issued since 1st day of June, A.D. 1925.

A. MacLeod Sinclair, K.C., Insurance Exchange Bldg., Calgary, Holders of Local Improvement Debentures.

W. H. McLaws, K.C., Canada Life Bldg., Calgary, Holders of Debentures issued in respect of Public Utilities in the City of Calgary.

H. G. Nolan, K.C., Lancaster Bldg., Calgary, all Holders who may fall within any other category or categories.

All interested Holders of Debentures of the respective categories should arrange with one or other of the above named to present to the Court on the application any view they are advised in support of any contentions they may desire to raise. All Debenture Holders are entitled to be present at the hearing in person or by Counsel or Agent, subject, however, to the discretion of the Court to disallow costs to all others than the appointed representatives.

The Order made may declare rights and give directions, and will be binding on all Debenture Holders.

Any further information desired may be obtained from the undersigned.

DATED this 5th day of January, A.D. 1937.

TAYLOR & TAYLOR,
Solicitors for the Sinking Fund Trustees of the City of Calgary, 227a Eighth Avenue West, Calgary, Alberta, Canada.

Form Approved

(SIGNED) "A. H. Clarke"
J. S. C.

Winnipeg's Newest Hotel
The Marlborough
In the Heart of the City
Fireproof Construction
European Plan
Rates in Keeping with the Times
220 Rooms

Notwithstanding

that experience has proven failure to make a Will one of the greatest mistakes a property owner can make many neglect this duty. If you have no Will there is a possibility of trouble and loss for your heirs which you can prevent by taking proper precaution now. Consult your lawyer and our Estates Department. He will draw your Will—we will act as Executor and Trustee.

MONTREAL TRUST COMPANY
61 Yonge St., Toronto
J. F. HOBKIRK, Manager

In The Construction World

SOME fears have been expressed in Canadian construction circles that once the present large scale Government "relief" projects are completed a lean time might be expected in those building fields where the various federal, provincial and municipal authorities have been most active. This applies particularly to business building which includes the many federal public buildings erected in the last two years and to engineering construction which takes in highways, railways and marine work.

Admittedly where the new federal building provides office space for Government employees formerly housed in private quarters there is going to be some effect on business building generally, although usually the quarters vacated had nearly reached the demolition stage.

* * *

Preparing Stage For Business Building

BUT these indirect Government inroads into what has hitherto been considered largely a private venture have hardly been sufficient to delay any approaching revival in business construction. That revival will come with a continuance of general economic recovery.

In some cities the need for new space is already apparent with vacancy well below the 10% which is considered a normal figure. If this were the only factor to be considered then this sort of construction would start immediately but unfortunately for the office building owners, rents have not yet been restored to a level considered profitable. But the tendency is toward higher levels and the first indication of new building—the modernization of existing quarters—is already in evidence.

* * *

Engineering Outlook Considered Favorable

IN ENGINEERING construction, the other field where Government help has been largely felt in the last three or four years, there are already plenty of signs that private initiative is already coming back. Normally about half the money that goes into engineering construction is provided from private sources interested in the construction of mining plants, power houses and other engineering ventures. Activity in these lines is definitely on the upgrade.

Moreover, there seems to be little possibility of the various Governments greatly curtailing expenditures on highways or railways. There are still many projected tourist and other roads only waiting open weather and a continuance of general recovery to put steam shovels in action. In a general way, Canada is probably oversupplied with railways but this applies to trunk lines and not to new branches into newly opened territory in the north. The 100-mile extension now under way from Rouyn into Senneterre, Quebec, is believed to be only the forerunner of several other lines of the same sort.

* * *

Now Have Wood That Retards Fire

WHILE much has been heard of new building materials in recent years, exponents of native Canadian wood have been inclined to sit back. But competition has at last forced them out of this complacent attitude and in the last few months co-operation of science has been obtained. Undoubtedly the weakest point in the defense of wood has been in its susceptibility to fire. An admittedly important point with isolated buildings, in large modern cities with efficient fire-fighting equipment, however, this factor is probably not as serious as the average man would believe. Nevertheless lumber promoters are wise in concentrating research here. That considerable progress has been made is indicated by the following editorial in the current issue of Canada Lumberman:

"A report from the National Board of Fire Underwriters contains an assurance that there is such a thing as fire-retardant wood.

"The wood tested by the board was red oak and maple which had been thoroughly and uniformly impregnated in pressure tanks containing ammonium salts, a fireproofing compound which, it is not perhaps generally known, has actually been procurable in Canada for at least two years. The treated wood is almost the same in appearance as ordinary wood but is a little heavier because of the salt content. It is easily tooled and takes varnish well.

"The investigators of the board tested the treated wood under conditions that sent untreated walls and floors roaring up in flames while the treated wood did not burn at all but after a long period of exposure to the fierce heat was deeply charred. Not once, however, did the treated wood flame or aid the spread of combustion. The National Board of Fire Underwriters' final verdict was that the wood was non-inflammable."

Construction Outlook (No. 3)

Backlog of $165 Millions In Engineering Construction

Private Building Gradually Assuming Greater Share of Load

MORE HIGHWAYS

By GORDON L. SMITH

In that rather miscellaneous group of construction activities lumped under the general heading of engineering, prospects for the coming year and the future in general are by no means as clear as in other fields of building. There are many "ifs" and it seems sure that these uncertainties are to remain for some time at least.

In the engineering building category come such diverse projects as road building and power plants, railroads and sewers. Bridges, marine work and mining are also included.

Two General Fields

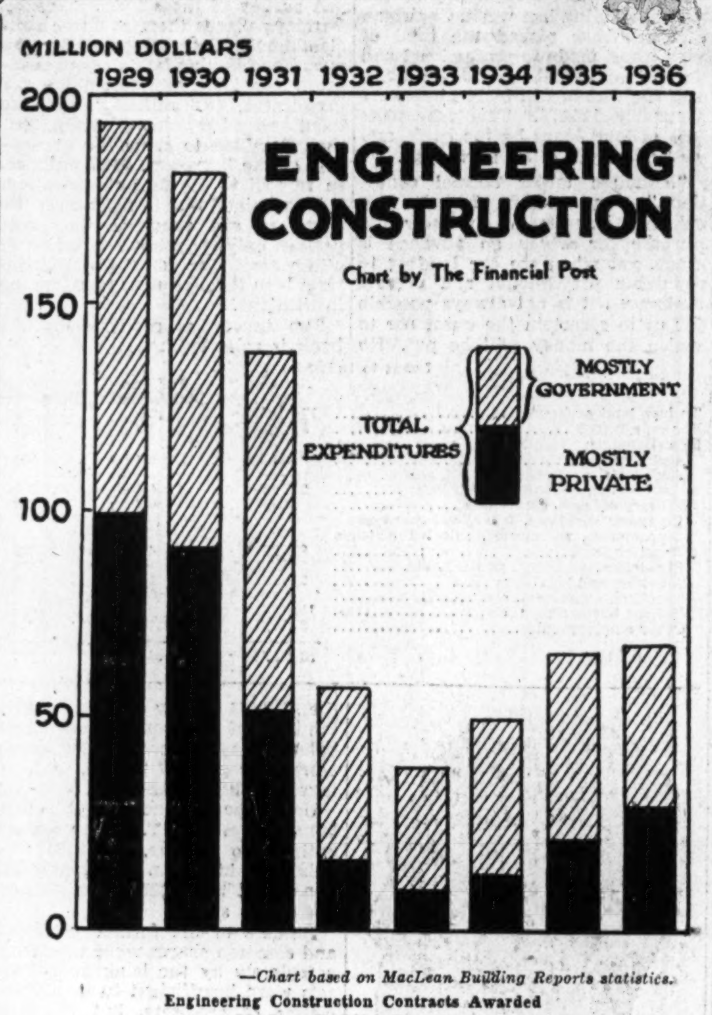
Roughly the field can be divided into two parts, that financed by Government expenditures and that by private enterprise. There is some overlapping because railroads, mining and power plant development are added together to make the classification known as general engineering.

Now in such railroad and power plant expenditures as may be undertaken in the future there is certain to be considerable Government money. The Dominion authorities are financially responsible for approximately half of the railroads in Canada and the Ontario Hydro Electric system is, of course, publically owned. But plant expenditures in both these enterprises may be generally classed as along the same lines as private development. Such extensions in any case will be largely made for business purposes, and are not to be compared with the building of a wharf or harbor prior to elections or the development of a highway to provide unemployed relief.

Big Government Share

Normally over a long period of years total expenditure on engineering construction has been about evenly divided between private and public sources. This was the case previous to and including 1929.

With the depression, as the accompanying chart clearly shows, there came a sudden change. Private engineering construction contracted sharply, falling from an average of $75 millions per year to something less than $15 millions. Government spending contracted also but not in the same proportions. In 1931 for instance general engineering was down below $50 millions or only about half of the figure of the previous year, while Government highway building showed no decrease at all and other municipal Government projects, many of them of a relief nature actually increased. In the three years following 1931 almost four-fifths of the total money that went into engineering construction in Canada came from the public purse. In 1935 private enterprise started to catch up and the movement was continued in 1936.



—Chart based on MacLean Building Reports statistics.

Engineering Construction Contracts Awarded
MacLean Building Reports
(000's omitted)

	1936	1935	1934	1933	1932	1931	1930	1929
Bridges	7,751	3,362	5,329	6,315	7,675	16,064	11,333	11,218
Dams & wharves	3,119	8,557	2,932	627	2,777	3,943	10,281	24,721
Sewers & water-mains	2,515	3,715	3,873	5,577	10,638	25,620	28,680	17,552
Roads & streets	23,649	27,421	24,432	16,509	20,019	41,035	40,490	41,690
Gen. engineering	29,949	22,105	13,137	8,951	15,649	51,143	90,298	99,437
Total engineering	66,985	65,162	49,705	37,981	56,760	137,807	181,084	194,620

Backlog $165 Millions

Now with recovery continuing steadily it seems natural to look for further increases in private expenditures on engineering construction. Even on the modest 1931 scale, a potential backlog of over $165 millions is apparent. Here are the figures:

Engineering Backlog
Largely private construction

1932	$ 15,600,000
1933	8,900,000
1934	13,100,000
1935	22,100,000
1936	30,000,000
Total	89,700,000
5 years at 1931 rate of $51 millions	$255,000,000
Less actual construction in 1932-1936	89,700,000
Potential backlog	$165,300,000

Wide Fluctuation

Such a backlog does not appear at all unreasonable in view of the fact that it is based only on 1931 which is generally regarded as a depression rather than a normal year. But it should also be borne in mind that construction generally is about as uncertain as the Western wheat crop and engineering building is the most uncertain in the whole field. It has always varied widely from year to year. Some mammoth projects like Comeau Baie, Lion's Gate Bridge or the Queenston Power plant comes along and figures for the year are wildly distorted.

Big Mining Development

True the 1931 figure is above the average for general construction in the five-year period ending with 1927, but since that time mining development has gone ahead on a scale that cannot be compared with anything previous to 1927 and so far there is no immediate indication that this activity, from the standpoint of construction, is going to diminish.

With mining construction work continuing, there will be more branch railway lines needed, more bridges and more power plants. Certainly the next five years may witness a modest revival of that great engineering period in Canada during the first decade of the present century when the Northwest and British Columbia were being opened. In this case, however, it will be the North that will be opened. Immediate incentive is coming from the mines and the newsprint industry but in providing the transportation services to these two industries others may be discovered or may follow.

No Letup in Highways

In that other great field of engineering construction that is largely financed by the public purse the future would seem just about as sure but also as indefinite as to details. Road building as a relief project may be expected to drop as sharply as the average man hopes unemployment will drop, but this will not mean anything like a complete cessation of road building.

Highways already constructed will be maintained and this alone necessitates considerable expenditure. But new highways are also certain to be built. Indeed better times will probably see the total outlay increased.

The Maritime Provinces and British Columbia, for instance, are now determined to furnish themselves with a greater proportion of hard surface roads. These provinces realize that their important tourist revenue absolutely depends on the provision of such roads. A paving programme has already started and is to be continued and extended as finances permit.

Bridge Building

The era of big bridge building is by no means over. In the last month projects involving close to $10 millions reached the contract stage with others rapidly approaching that point. In several cases these are completely new developments, not merely replacements. But the latter will be the big item, for the year's total, notwithstanding the $6 millions Lion's Gate bridge started at Vancouver.

Engineers have always stated that the potential life of the average bridge has little to do with its actual life. Most structures will last at least 50 years and many kinds for twice that long, but usually after about 20 to 30 years, the traffic has developed to such a point that a new and wider bridge is found necessary. This experience has occurred again all through Quebec and Ontario and it will also probably occur in the case of the new roads in the Maritimes.

Outlook for wharfs, with no important election scheduled for some years yet, is not so bright, unless the revived talk of the St. Lawrence Seaway bears fruit.

Dams

In dam construction, however, there would seem to be a considerable amount of work ahead. The thousands of small scale water conservation projects being built throughout the Prairie Provinces now necessitate some large developments along the main water sources and may also tend to crystalize public opinion in favor of considerable extension of straight irrigation areas.

Eventually, it is said, something must be done about St. Lawrence water levels, which have been adversely affecting Montreal harbor shipping. Steadily increasing consumption of electric power in Canada would also indicate early resumption of dam development in connection with power stations.

An increase in population coupled with further recovery is certain to be followed by much sewer and water main routine replacement and possibly fairly large, completely new installations.

Editor's Note—This is the third of a series on the outlook for construction. The final article dealing with housing will appear in a subsequent issue.

Park Motors Under Park

Parking troubles in San Francisco will be solved for the time being by the excavation of a 5,000-car garage under the city's centrally located Union Square Park. The park is to be dug up, the garage constructed and then the top layer of soil put back and the shrubbery and trees replanted.

Unfortunately for the bulk of the big cities on this continent large central parks are not always available.

Busy Time Faces Most Steel Mills

Unfilled Orders Reported in Canada, U. S. and Great Britain

Steel mills throughout United States, Great Britain and Canada appear to be in for a busy time. In commenting on the outlook for the American steel industry the Whaley-Eaton Service states that the future for the American steel industry cannot be read accurately without consideration of the British position.

Rushed in U. K.

The British steel industry, it is stated, can hardly hope to overtake the demand for some months to come. Contracts for pig iron over the greater part of 1937 have been placed with no assurance that orders can be filled. Users of some finished steel are finding it difficult to obtain deliveries. Most steel works are in arrears in contracts even though mills are operating at capacity. The enormous pressure of domestic demand has reduced export business to a small scale. Already Britain has been placing orders in American mills for supplies wherewith to meet foreign orders and conserve markets.

"It is not a violent assumption that the overflow demand from Europe will be a significant factor in the American steel market in the month to come," concludes the Whaley-Eaton summary.

Busy Here

Generally the same situation of accumulating unfilled orders is beginning to apply to Canada as well. General recovery and the awakening heavy construction industry are releasing a flood of buying. As recently stated in The Financial Post, several Canadian mills already have orders on hand which will keep them working at capacity for the next three or four months and if the American and British future has been interpreted correctly, then long before these present orders are filled others will have followed.

New Building

The **Canadian National Railways** is reported to be planning a $75,000 railway station at Joliette, Que., according to a correspondent of the Daily Commercial News and Building Record.

Hinde and Dauch Paper Co. has purchased land at the corner of Hanna and Atlantic Avenues, Toronto and is said to be planning a plant extension.

Work has been started in Montreal on additions and alterations to the store block of the **United 5c. to $1 Stores of Canada Ltd.** The work will cost approximately $30,000.

Tenders were received last week by **Supertest Petroleum Corp.** at London, Ont., for the erection of a two-story addition to the office building on Richmond St.

The recently formed **Barton Animal Meat By-Products Ltd.** has purchased 3½ acres from the city of Hamilton on Wentworth St. The sale has been made on condition that the company will start at once on their plant construction.

A permit has been issued by York Township council for the construction of a $250,000 building for Holy Blossom Synagogue, Toronto.

Kellogg Co. of Canada is contemplating an addition to its plant in London, Ont. Building operations will probably be started this fall.

Tenders will be called in the spring by **United Amusement Corp.** for the erection of a $200,000 motion picture theatre at the corner of Van Horne and Stuart Avenues, Outremont, Montreal. The theatre will have a seating capacity of about 1,200.

Canadian Pacific Express Travellers Cheques Are World Currency
Carry them on your next trip and be assured of travel comfort.
Get them from any agent of the Canadian Pacific & most Banks

Gypsum, Lime and Alabastine, Canada, Limited

Annual Report of the Board of Directors

TO THE SHAREHOLDERS:—

Your Directors submit, herewith, their Annual Report and Financial Statement for the fiscal year ending November 30, 1936.

The building industry, while showing some improvement over the previous year, still continues to lag, resulting in a limited demand for your Company's products; but it is encouraging to note that the Dominion Housing Act and the Home Improvement Plan are being widened in their scope and simplified to the point where considerable business for your Company is anticipated during 1937 from their operation.

Reference to the financial statements will show earnings, after providing for operating and maintenance expenses, amounted to $453,396.73, from which there has been deducted interest on funded indebtedness of $226,362.39, reserve for Depreciation and Depletion of $177,178.21, subsidiary losses of $1,850.67, leaving a net profit of $48,005.46.

The Company's liquid position, as you will note, has been considerably improved during the year, and the ratio of current assets to current liabilities is now five to one.

During the year, an addition to the Caledonia plant was erected for the manufacture of Rock Wool, a new insulating material. This product is being marketed under the trade name "GYPROC WOOL" and has been particularly well received by the trade.

Two demonstration low cost houses, fully insulated and of modern construction, were designed and erected by a local contractor during the year—one at Beachville, Ontario, and the other at Brantford, Ontario—which have received very favourable comment.

Your Directors, toward the latter part of the year, negotiated the sale of the Company's minority interest in Gyproc Products Limited, Rochester, England, at a very substantial profit, as is disclosed by the financial statements appended hereto.

In view of the conditions prevailing in the industry during the period under review, we trust that the result of the year's operations will be satisfactory to you.

Submitted on behalf of the Board of Directors.

H. COCKSHUTT,
Chairman and President.

CONSOLIDATED BALANCE SHEET—NOVEMBER 30, 1936

ASSETS

CURRENT:			
Cash on hand and in banks			$ 378,097.18
Accounts and bills receivable less reserve thereon			290,914.40
Inventories as determined and certified by the management—			
Rock mined and goods manufactured and in process valued at cost		$ 429,001.04	
Manufacturing supplies and merchandise purchased for resale at the lower of cost or market		30,695.74	$ 459,696.78
			$ 1,128,708.36
DEFERRED:			
Repair parts		$ 28,151.44	
Sundry prepaid charges		40,422.76	
Employees' loans and expense advances		4,759.06	$ 73,333.26
INVESTMENTS:			
Bonds (market value $8,000)		$ 4,039.65	
Life Insurance cash surrender value		39,893.00	
Mortgages and sundry real estate		8,520.13	$ 52,452.78
Investment in and advances to Subsidiary Companies (less amounts written off)			
Investment		$ 1.00	
Advances		34,666.84	$ 34,667.84
FIXED:			
Mines, Quarries, etc., as revalued by the management as of 30th November, 1934, with later additions at cost:			
Land and Buildings (Freehold and Leasehold) Machinery and Equipment and Expenditures on Shaft Development		$3,857,074.60	
Less: Reserve for Depreciation		337,008.72	
		$3,520,065.88	
Mines, Mine Development and Quarries	$1,791,723.43		
Less: Reserve for Depletion	15,543.81	1,776,179.62	$ 5,296,245.50
			$ 6,585,407.74

LIABILITIES

CURRENT:			
Accounts payable and accrued charges			$ 138,717.11
Accrued interest on bonds			56,200.64
Dominion, Municipal and other taxes			30,600.98
Due to Subsidiary Company			380.00
			$ 225,898.73
DEFERRED:			
Due under patent agreement			10,800.00
FUNDED DEBT:			
Gypsum, Lime and Alabastine, Canada, Limited—First Mortgage 5½% Sinking Fund Gold Bonds due 1st March 1948, Authorized and Issued		$4,000,000.00	
Less: Bonds redeemed	$ 383,500.00		
Held for Sinking Fund	91,000.00	474,500.00	
		$3,525,500.00	
Note: Sinking Fund Payments of $121,092.50 each due annually 1933 to 1936 have not been made.			
Standard Lime Company Limited—First Mortgage 6% Gold Bonds due 1st September 1944, Authorized and Issued	$ 600,000.00		
Less: Bonds redeemed	85,000.00	515,000.00	
Note: Standard Lime Company Limited has also outstanding—$600,000 6½% Gold Debentures due in 1939, all of which are owned by Gypsum, Lime and Alabastine, Canada, Limited			$ 4,040,500.00
RESERVES:			
Sinking Fund Reserve			9,605.25
CAPITAL:			
Authorized 500,000 Common Shares of no par value Issued 440,043 Shares		$2,200,215.00	
Surplus as per Profit and Loss Account attached		98,388.76	$ 2,298,603.76
Contingent Liabilities: Bills Receivable Discounted	$ 3,504.35		
			$ 6,585,407.74

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Manufacturing Profit before depreciation		$860,250.81
Selling, Administrative and Sundry Expenses	$381,330.83	
Executive Salaries	14,999.94	
Directors' Fees including retiring allowance	10,299.92	
Legal Fees	1,605.38	$408,236.07
		$452,014.74
Add: Interest on Investments		1,381.99
		$453,396.73
Deduct: Interest on Funded Debt:		
Gypsum, Lime and Alabastine, Canada, Limited	$195,011.82	
Standard Lime Company Limited	31,350.57	$226,362.39
		$227,034.34
Deduct: Depreciation	$169,064.28	
Depletion	8,113.93	
Loss on Subsidiary	1,850.67	$179,028.88
		$ 48,005.46
Deduct: Provision for Dominion Income Tax		8,959.78
		$ 39,045.68
Add: Profit on sale of Shares of Gyproc Products Limited		107,154.92
		$146,200.60
Deficit 30th November 1935		47,811.84
Surplus 30th November 1936 carried to Balance Sheet		$ 98,388.76

AUDITORS' REPORT TO THE SHAREHOLDERS:

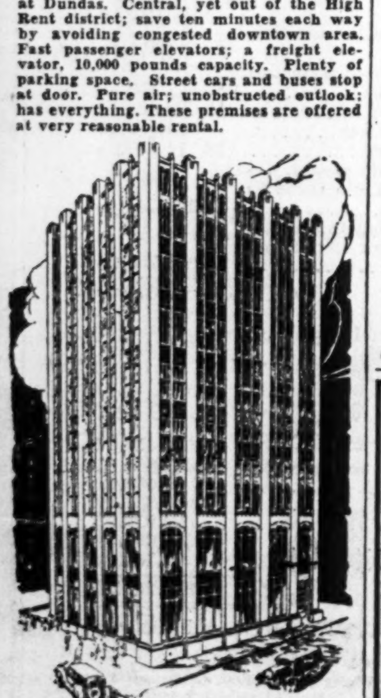
We have made an examination of the accounts of Gypsum, Lime and Alabastine, Canada, Limited and its wholly owned Subsidiary, Crystalite Products Limited as at 30th November, 1936. In connection therewith we examined or tested the accounting records and obtained all the information and explanations we required from the officers and employees; we also made a general review of the accounting methods and of the operating and income accounts for the year, but we did not make a detailed audit of the transactions. We have received a balance sheet of Standard Lime Company Limited as at 30th November 1936, audited by Messrs. Riddell, Stead, Graham & Hutchinson, Chartered Accountants, and the assets and liabilities of that company as shown by such balance sheet have been included in the above consolidated balance sheet.

Subject to the foregoing and to the sufficiency of the provision for depreciation, we report that in our opinion the above consolidated balance sheet has been drawn up in accordance with accepted principles of accounting and on a basis consistent with the preceding year, so as to exhibit a true and correct view of the state of the Companies' affairs as at 30th November, 1936, according to the best of our information and the explanations given to us and as shown by the books.

As required by The Dominion Companies Act, Section 114, we report that provision has been made in the accompanying statements for all losses incurred by subsidiary companies making losses during the year and not consolidated therein

CLARKSON, GORDON, DILWORTH and NASH,
Chartered Accountants.

Toronto, 5th January, 1937.
Approved on behalf of the Board
H. COCKSHUTT, Director.
GEORGE A. DOBBIE, Director.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Sturgeon Falls, Ont. Iroquois Falls, Ont.
Espanola, Ont. Smooth Rock Falls, Ont.
Pine Falls, Man. Fort William, Ont.
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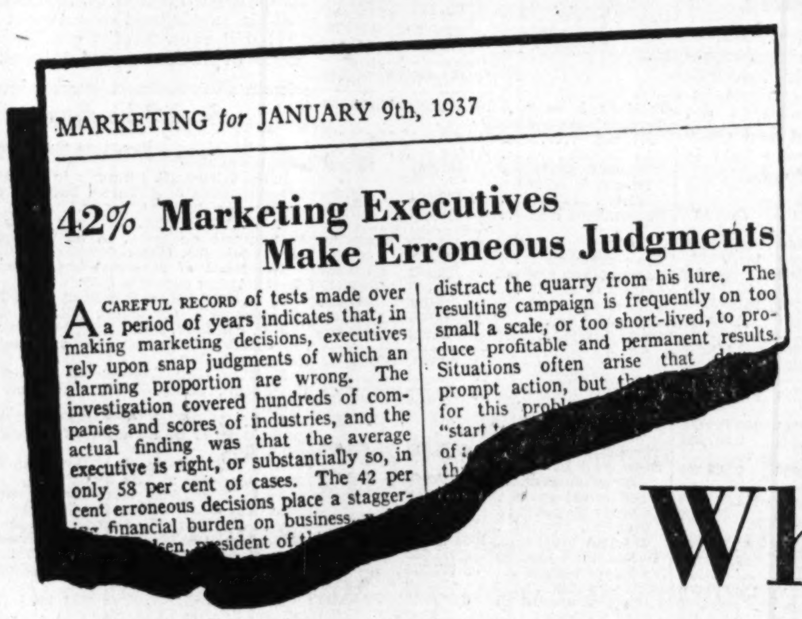
MARKETING for JANUARY 9th, 1937

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A CAREFUL RECORD of tests made over a period of years indicates that, in making marketing decisions, executives rely upon snap judgments of which an alarming proportion are wrong. The investigation covered hundreds of companies and scores of industries, and the actual finding was that the average executive is right, or substantially so, in only 58 per cent of cases. The 42 per cent erroneous decisions place a staggering financial burden on business.

distract the quarry from his lure. The resulting campaign is frequently on too small a scale, or too short-lived, to produce profitable and permanent results. Situations often arise that prompt action, but for this "start of

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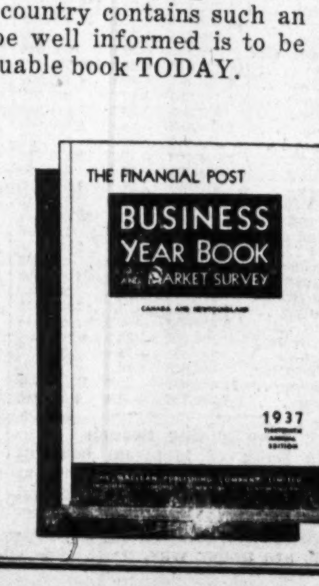

THE FINANCIAL POST
SECOND SECTION
Vol. XXXI | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, JANUARY 30, 1937 | 10c a Copy; $5.00 a Year | No. 5

President Roosevelt's Second Four Years

"SHALL WE PAUSE NOW?"

"We refuse to leave the problems of our common welfare to be solved by the winds of chance and the hurricanes of disaster—

"We are beginning to wipe out the line that divides the practical from the ideal and in so doing we are fashioning an instrument of unimagined power for the establishment of a morally better world—

"We are moving toward an era of good feeling but we realize that there can be no era of good feeling save among men of goodwill—

"I see a United States that can demonstrate that, under democratic methods of government, national wealth can be translated into a spreading volume of human comforts hitherto unknown—and the lowest standard of living can be raised far above the level of mere subsistence."

Franklin D. Roosevelt, taking the oath of office for his second term as President of the United States.

Roosevelt's First Problem to Keep Germany From War

Roosevelt's first problem in his second term is to keep Germany from war. Credit, trade, raw materials may be arranged for Hitler.

He is not committed to organized labor but would outlaw low wages.

His administration will seek to control inflation.

The budget will be balanced but not by economy.

Roosevelt's heart is set on the St. Lawrence Waterway.

He will be a Conservative, trying to consolidate Recovery, though perhaps speaking the language of the Left.

* * *

These are some of the major points made by P. H. Whaley in this authoritative article on Roosevelt's Second Four Years.

Mr. Whaley is the head of the widely read Whaley-Eaton Service, which weekly provides an authentic, interpretative summary of the background of Washington and world news.

The article was prepared for The Financial Post and discusses those subjects that are of greatest interest to Canadian business.

By P. H. WHALEY

WASHINGTON.—Mr. Roosevelt himself, in his inaugural address, gave, by inference, the clue to his second term. He said: "We did first things first." He now has to do second things and they are of a vastly different type. The problem, not Mr. Roosevelt, has changed.

There has been, as yet, no adequate test of the New Deal. The first four years were a period of prodigal spending in an effort to socialize the tremendous financial losses of the economic collapse. This was accomplished by pumping purchasing power in at the bottom, the more specifically by subsidies to the unemployed and to farmers, accompanied by advances to financial and industrial companies, all of which finally appears in the form of increased national debt. This has had the expected effect of rescuing the economy from its dire straits and the recovery is now well under way, the most satisfying feature of it having been the comparatively recent revival of activity in the heavy industries.

He Must Consolidate Gains

Mr. Roosevelt will go down into history as a magnificent failure, or as one of the greatest of Presidents. He will be either one or the other according to his ability to consolidate the gains which had been achieved; to make them permanent; in a word, to consolidate the recovery. He claims credit for the advance and he cannot escape responsibility for a retrogression.

The President, as happened with Wilson, is confronted immediately with a somewhat alarming foreign situation. There has been a rather deliberate attempt to conceal this, in its very serious aspects, from the public, the interest of which is intrigued by discussions of neutrality legislation and emotional orations on the desirability of avoiding another world war. Everybody is in agreement on the wisdom of such avoidance but, only behind the scenes, is it fully recognized how overwhelmingly economic are the causes leading to war and how near this economic pressure is to its critical point.

The danger point, of course, is Germany. It is not dangerous merely because of Hitler, because Hitler himself is only a symbol and he would not have been able to set up, nor would it be possible for him to sustain, his autocratic power were it not for economic conditions that justify, if anything does, the employment of an extraordinary form of government in the face of a grave emergency.

Loss of Russian Trade Terrific Blow

The truly terrible thing that has happened to Germany is the abolition of private property in Russia. The trade of Germany's industrial goods for Russian agricultural products—which was international trade in an almost ideal form—has virtually ended. It is not simply a question of the inability of Berlin to arrange with Moscow for the flow of commerce, but it is due, fundamentally, to the lack of productivity in Russia under Soviet conditions.

The Russian Commission, which made a study of American industry last summer, reported back to Moscow that it required 60 persons in Russian industry to get the production that eight men show in the United States. Of these 60, 43 would represent overhead and only 17 would be actual workers. That represents the condition in Russian industry, and it is far worse in Russian agriculture, because incentive has been destroyed among the peasants, who are not easily disciplined. It also explains why the average life of an agricultural tractor is only seven months.

It may be that there is no solution for the German emergency until and unless trade with Russia is resumed. But that is a long distance off. Shrewd American industrialists, after close studies in Germany this past summer, have reported independently to Washington that Germany is in the position of a hungry dog, and will resort to arms, logically or illogically, unless relief is forthcoming, and very quickly.

This may be an overstatement. A similarly dismal picture was presented to the United States by the Central bankers of Europe in the summer of 1927 and the United States answered that ultimatum by resorting to the policy of easy money that eventually ended in the financial collapse of 1929. Nevertheless, by common consent, in London, Paris and Washington, there is a belief that Germany must get relief or war is inevitable.

May Become Leader in Rescue Work

The position of Washington has not been decided. It is understood that London and Paris are ready to accord substantial credits and sufficient economic relief to Germany, provided they can obtain enduring political assurances of peace from Germany. The issue, therefore, is largely in Hitler's own hands, and not in the hands of his enemies. But the point being raised in Washington, to which Mr. Roosevelt will have to give an answer, is: "How far, if at all, can the United States participate?"

Unofficially, the proposal now being considered is a tripartite credit to Germany. It is stated that this credit must be at a minimum $500 millions, and should be, to assure success, $1 billion. It is claimed by some high officials in the Administration that, provided London and Paris can make a tentative agreement with Berlin, which Roosevelt feels will assure peace, he would not hesitate to see that such credits were obtained in this country, and might even assume the formal leadership and bring the whole situation to a head before the public.

In other words, at the very beginning of his second term, Roosevelt, as happened with Wilson, may find his domestic programme completely modified and revised by foreign situations.

There is no doubt in any quarter that, in the event of another war, heavy currency inflation will be utilized by every important nation, including the United States, which would be equivalent to a vast confiscation of capital everywhere.

Canada Vital in Treaty Making

The visit of Mr. Runciman to Washington, to be followed by the arrival of M. Bonnett, the French Ambassador, is an inkling of what is going on. The authority whereby Washington negotiates trade agreements, without referring them to the Senate, as treaties, for ratification, expires June 30. Mr. Runciman would like to know, of course, whether that authority is going to be continued. The President has met that situation by directly asking Congress for an extension. He will get it promptly from the House and, after some delay, from the Senate.

More importantly, an Anglo-American trade treaty cannot be negotiated without full consideration being given to the interests of Canada. It must, in effect, be a triangular agreement. There is some belief in Washington that formal modification of the Canadian reciprocity agreement will not be requisite, but that seems to be more a hope than a fact.

Incidentally, the appointment of Mr. Grady, who was the leading American negotiator in the matter of the Canadian treaty, as the American member of the League of Nations raw-materials committee, is another indication of the direction of Roosevelt policies.

There would seem to be little question that Mr. Runciman and M. Bonnett are going to take up with the United States the formulation of a method whereby Germany may have a freer access to raw materials, as well as a somewhat freer access to world industrial markets.

It is admitted in Washington that the existing stabilization agreement has served to crowd Germany still further into a corner, wherefore negotiations are likely to cover, also, the admission of Germany into the stabilization bloc.

Heart is With Distressed Labor

There is much misunderstanding as to Mr. Roosevelt's attitude on labor. He has not concerned himself unduly with the wages that organized labor is already receiving—a union carpenter in Washington, on Government work, gets $1.30 an hour. His thought is about labor in the depressed groups, both industrial and agricultural. He wants to find some way to outlaw those employers who pay $6 and $8 a week for their labor, and keep it at long hours. He also wants to outlaw 50c. a day labor in the cotton areas.

The assumption that Mr. Roosevelt is under a definite commitment to Mr. Lewis, who wants to organize labor vertically, is wholly gratuitous, nor is he committed to Mr. Greene, who heads the American Federation of Labor, which is devoted to horizontal organization, or organization by crafts. It is extremely difficult to formulate a solution of the labor issue when these two great labor groups are themselves waging a relentless battle. It should be said, however, that the economic tendency is in favor of the vertical union. The chances are that Mr. Roosevelt will outline some definite formula, enforceable at law, for collective bargaining.

In the railway labor field, the brotherhoods have virtually abandoned the demand for a 30-hour week and are openly demanding, what they have always really wanted, wage advances. All railroad elements understand that the prosperity of the carriers is something very dear to the President's heart and he would not be very patient with any group that interfered with the progressive recovery of the rails.

No Constitutional Changes Likely

After long consideration, the President has rejected, for the time being, the plan for a constitutional amendment. He is following the Richberg theory that all the objectives of the New Deal can be obtained under the present Constitution. This decision, however, is not final. Mr. Roosevelt has decided that Federal authority must be exercised in those areas where economic activity is truly national.

For instance, their attorneys are unanimously advising the utility interests that regulation of holding companies is not within the constitutional power of the Federal Government. If that is true, it can be set down as certain that the President will find some means to confer that authority on the Federal Government, even if amendment of the Constitution is required. So it is as to the question of wages and hours. Moreover, there are numbers of industrialists who themselves feel that the authority of the Central Government over Federal commerce should be clear and explicit. They have come to fear that the individual States, through sales taxes and other devices, may virtually set up tariff barriers and so change the United States from one economic unit into 48 economic units, which would have a paralyzing effect on institutions that require national markets.

In finance, the President's second term will determine whether or not the controls which he has set up against inflation can operate effectually as brakes. The rapid rise in commodity prices, while very desirable because it has so quickened the recovery of the raw-material nations, has been so precipitate, and is so largely due to speculation, that both London and Washington are gravely concerned. It is not indicated that either Government will set up direct barriers against further commodity price advances, but they would like to find some means to make the advances orderly—just as the stabilization funds are not designed to fix currency parities, but are intended to prevent too rapid fluctuations in exchange rates.

Likely to Balance Cash Budget

Mr. Roosevelt, in addition to his other controls, has one great factor in his favor—he can balance the cash budget for 1937-38. It is very important to make a sharp distinction between the cash budget and the book budget. During 1933 the Treasury will not only be receiving much higher tax returns, but there will also be heavy repayments into the RFC and there will be a steady and high inflow of levies under the Social Security Act. Even the State unemployment funds must be sent to the national Treasury, where they can be used for repayment of debt, and these taxes alone should amount to more than half a billion dollars in 1937-38. By using these Social Security funds, which are really reserves, and by utilizing repayments to the Government lending agencies, the Treasury may actually not only not have to go to the banks for more money next year, but can retire perhaps as much as $1 billion of the outstanding debt.

This would not reduce the gross national debt, but it would progressively take a part of it out of the hands of the public and put it into the hands of the Treasury. That is subtle finance. Its practical effect, however, is that the commercial banks hereafter will have to be finding a commercial outlet for their funds and will not be able to depend on one issue after another of Government securities.

The American theory of managed currency has Chairman Eccles, of the Federal Reserve System, as its main exponent. He does not believe that management of the currency can be successful unless the tax system is tied into it. The theory is that, as and if the inflation gets under way, there must be a sufficient "take" through taxes not alone to keep profits within reason, but also to permit a liquidation of the public debt that was incurred in order to set the recovery in motion. It is quite idle, in these circumstances, to expect any reduction in the gross tax revenue. This revenue must, in fact, always keep pace with the recovery.

Eccles Keen to See Brakes Applied

The Reserves System has already raised reserve requirements 50%, and has authority to raise them another 50% from the original base. It has given warning that it will take some action, in the near future, for diminution of the huge excess credits now held by member banks, which constitute a base for extraordinary expansion of bank credit. Additionally, the incoming gold is being sterilized and foreign silver purchases, except in Canada and Mexico, have been stopped. In other words, safeguards against inflation are being set up.

Despite a great deal of publicity about repeal of the silver purchase legislation, the present intention of the Roosevelt Administration is to do nothing in connection with silver. It is felt that the programme has been shaken down to where it is of no great importance, one way or the other. The original legislation was not an Administration measure and was accepted by the President only in a trade. It may be good politics to have the issue revived and the Silver Senators made jittery by fear that the Administration would use its influence to repeal the Act. A development of that sort would be another ace thrown into the hands of the President for practical political trading. It may be said, quite positively, that it is not the present intention of the Administration to do anything at all about silver.

It is very significant that Chairman Eccles, the foremost champion of expansion of credit and of inflation, is the first to insist that the time has been reached when controls must be applied. Moreover, no financial adviser is closer to the President than he is. But it is equally significant that Mr. Eccles believes that cheap money is an absolute requisite in the picture. The last control to be used, if it is used at all, will be the raising of the rediscount rate.

It follows from the foregoing, especially as the cash revenue will increase, that there is not going to be any very great slackening of spending while Mr. Roosevelt is President. His method of balancing the budget is to collect more money, not to spend less. His comprehensive plan for reorganization of the Government, which is very necessary, pays only the scantiest attention to any money savings to be effected. His objective is more efficiency, not economy. Moreover, he thinks the time has come when it is necessary to build up a permanent Government in Washington that will approach in character and capacity the permanent Government that has long been established in London.

Wants to See Waterway Scheme Started

Mr. Roosevelt may be expected to continue the development of water-powers and no formal power policy will be adopted that is not in consonance with that plan. This implies, of course, that his heart is set on the St. Lawrence seaway. If he is going to put that arrangement through with Canada, the obvious time to do it is at this session of Congress. He cannot tell how great his majority will be in the next Congress, and he cannot influence the second session of this Congress so readily as he can the first session, for next year members of the House will have their minds fixed on re-election and politics. The best opinion in Washington, now, is that the President will be able to secure ratification by the Senate of the St. Lawrence treaty, not in its original form, but with some modifications that are agreeable to Ottawa.

Similarly, the President is certain to continue with the development of the Mississippi and its tributaries and the establishment of two all-water routes to the sea from the Great Lakes. He not only envisages a volume of traffic that will permit prosperity for the railroads, but also a volume that will require use of both the St. Lawrence and Mississippi. Mr. Roosevelt, in fact, is quite likely to set up a Mississippi Valley Authority and a Missouri Valley Authority and a Columbia Valley Authority—a whole series of Authorities designed to exploit commercially, under planning, the great river areas of the country. Water-power, of course, will be the base of such economies.

The first steamship boat that ever plied the Ohio and Mississippi Rivers, from Pittsburgh to the sea, was owned by a Roosevelt, and this owner, with his wife, were the only passengers, other prospective passengers having backed out on account of the dangers involved. The whole Roosevelt family has always been rather proud of this adventure, which, incidentally, proved of great profit to the Nicholas Roosevelt branch.

Not Many "Crackpots" Around Now

An Administration is something more than just the President. An outstanding fact in Washington is the development along conservative lines of many of those somewhat radical officials who came to Washington with Roosevelt in 1933. Many have gone back home, but there are also many, still in office, who have grown perceptibly. They have been educated. Not many crackpots now get to the White House. The President, while yielding nothing, so far as Liberal principles are concerned, is modifying his practical programme, under the advice of these men, to harmonize with the new conditions confronting him. In a practical sense, he is far nearer the Centre now than he has ever been.

There is no such thing, nevertheless, as a fixed Roosevelt plan. He is still the quarterback, and he always will be. He will do many things that will be annoying to the Conservative elements, but it will be found, in the main, that what he is trying to do is to conserve the recovery and to make it permanent. He may clothe some Conservative policies in the language of the Left, for that would be practical politics. It may be put down in a book, however, that it is not allegiance to any special political school that actuates him, but, rather, the permanency of the recovery.

The President has been much sobered by the very size of his triumph in November. Four years ago he had everything to gain and nothing to lose, so deep was the depression. Now, he has everything to lose if the depression should recur. No one who bears this in mind will go far astray in defining what are the main objectives of Roosevelt's second term.

Promises "Hands Off"

Alberta's New Minister of Lands and Mines Commits Government to Policy of Noninterference

HON. N. E. TANNER

From Our Own Correspondent

EDMONTON.—One thing that Hon. Nathan E. Tanner, new minister of lands and mines in Alberta, would like to have plainly understood from the start, is that the Social Credit administration stands for no interference with private initiative and investment in the development of Alberta's natural resources. He adds that sound development is the main object he has in mind.

This applies to Turner Valley oil field, to mining districts to the north, and to all types of development throughout the province.

Talk of the Alberta Government doing some drilling for oil on its own, for instance, is entirely misinformed. Mr. Tanner was emphatic on this point. "The Government has no plans for drilling. Surely that is plain enough."

Cautious But Confident

The new minister is a lean, square-jawed, former school teacher, another of the younger men whom the tide of Social Credit politics has brought to high office in Alberta. He will be 39 years of age on May 9 next. He is clean-shaven, confident, appears cautious and a little reticent. He brushes his hair straight back on both sides, parting it in the middle. It shows a trace of grey. Like all Alberta's cabineteers, his dress is in no way affected.

On Jan. 6 he was sworn into office, succeeding Charles C. Ross, whose dispute with Premier Aberhart was a three-week mystery in the land of Social Credit. Rumor credited a section of the Social Credit party with the desire to stop further alienation of oil resources—which explains why Mr. Tanner thinks it necessary to state his no-interference position now. In passing it is worth noting that exact reasons for the Ross resignation are still awaited from Mr. Aberhart, but it is certain that they in no way refer to Mr. Tanner.

The day he took office Mr. Tanner said his policy would be "to develop the natural resources for the benefit of the people as a whole."

Reminded of this statement, he was asked: "What do you mean by that?"

"Development," was the reply, "should keep in mind the best interests of both the province and investors." Investors, he added, need feel no hesitation about Alberta.

Faces Intricate Problem

The new minister is looking forward to visiting mineral areas in Northern Alberta, as yet unknown to him. He has endeavored, he said, to establish close touch with all phases of his department's work. He recognizes as a vital and intricate problem, for instance, the question of policy in regard to gas pressure in Turner Valley, upon which there is much conflict in opinion and interests. There will be careful investigation before any changes are decided. He recognizes the need for a thorough review of the question now that crude oil has made its appearance in the field.

Natural resources loom large in public consciousness in Alberta, and Mr. Tanner, with much justice, considers his task involves important obligations. How does Social Credit fit in with development of natural resources? Such development is much emphasized in Social Credit writing. There should be no confusion, however, between Social Credit and Socialism, said Mr. Tanner. They were entirely different things. Under a Social Credit administration, development would rely on private intiative.

From Family of Mormons

Mr. Tanner speaks with an accent that would be considered slightly American in many parts of Canada, though possibly not in Southern Alberta, and certainly not in his home town of Cardston. He was born at Salt Lake City and came to Canada at an early age.

Alberta's new minister of mines is a link with a stirring chapter of western American history, for five generations ago the Tanners were members of the spectacular Mormon trek from Missouri into the rugged wilderness of Utah. He himself is a bishop of the Mormon Church, which is the ranking official in the ward, or parish, which in turn is a subdivision of the "stake" or community of adherents.

The post of bishop involves leadership in social and community, as well as church affairs. "I feel as if I have been in public life all my life," said Mr. Tanner. He taught school for 14 years and resigned the Cardston principalship to enter provincial politics in 1935, becoming the successful Social Credit candidate for Cardston. His interest in Social Credit dates only from 1934, as a result of Mr. Aberhart's radio campaign for the doctrine and the visits to Cardston of party speakers. Mr. Tanner led the first Cardston Social Credit study group.

The first session of the Alberta legislature in 1936 selected him as Speaker, which post he resigned to enter the cabinet this month.

THE BANK OF NOVA SCOTIA REVIEWS THE SUBSTANTIAL IMPROVEMENT IN BUSINESS AND APPRAISES PRESENT POSITION

President J. A. McLeod says unemployment, unbalanced budgets and economic nationalism are holding back complete recovery

General Manager H. F. Patterson says "easy money" is not a "cure-all"—may promote an unbalanced recovery

Mr. J. A. McLeod, President of The Bank of Nova Scotia, addressing the 105th Annual Meeting of the shareholders at Halifax, N.S., on the 27th instant reviewed the further recovery of the past year. He stated that the nation's income had increased by approximately 7% from 1935 to 1936. "The most striking and obvious gains in production have occurred in the field of metal mining, base metals and gold being produced in record volume. Fortunately, too, impressive advances were achieved in the output of non-metallic minerals—namely in the production of coal, asbestos and structural materials. Closely following mining, came the substantial increases in the operations of newsprint and lumber mills, while other manufacturing industries were on the whole more active."

Retail and wholesale trade was larger and the railways carried more freight. The net income of the farm population was at least 10% in excess of the total for the previous year, largely as a result of higher wheat prices and enlarged receipts for dairy products. Employment showed an increase of 4% over the year. The most important cause of this recent expansion was a further substantial rise in the value of Canadian exports.

Mr. McLeod then turned to a review of the general course of recovery during the past four years and spoke, in part, as follows:

Recovery in Retrospect

"Apart from a few interruptions, business conditions have been improving steadily for nearly four years. So far as one can see, the trend is still upward. In such circumstances, we may do well to pause in the course of our day to day problems and ask ourselves, Where do we stand?

"What has been the character of recovery? In its essentials, I think we can say that it has been mainly generated by a substantial revival of export trade. The rising value of exports has particularly stimulated the depressed primary industries of agriculture, mining and forestry. Growing production and enlarged returns in these groups have meant a better demand for manufactured goods and for services. With larger incomes, the people engaged in these primary industries have increased their purchases, sometimes long deferred, of manufactured articles. More employment in the mines, in the woods, and in lumber and newsprint mills, has further augmented such buying. Additional equipment and supplies have been required, especially in metal mining. And greater output, combined with increased purchases, has provided the railways with more traffic. In these and other ways, the benefits of expanding primary production have spread outward and resulted in greater activity in urban centres. This in turn has meant more employment which has again increased purchasing power and further stimulated conditions of business.

"In short, the effects of expanding foreign trade have gradually worked through the economic system and have ultimately affected occupations of a purely domestic character. This process has been neither direct nor rapid; nevertheless, we can see its influence to-day in greater or lesser degree in almost every phase of business endeavour.

"In response to improved export demand, metal mining has advanced to new peaks of activity. The newsprint and lumber industries have recorded marked revivals from the standpoint of volume, though in the case of newsprint the increase in price has been comparatively small. Farmers have experienced somewhat better times but are still far from prosperous.

"Turning to the industrial field, it appears that factories making goods for individual consumption are generally operating at levels not far from those of 1928 and 1929. The heavy industries, though assisted by growing demands from automobile plants and from the mines, continue to feel the lack of orders for the purposes of new construction. It is in construction, indeed, that conditions remain most depressed."

Recovery Has Not Been Complete

"Such a statement of our present position, brief and incomplete as it is, clearly demonstrates that we are still far from full recovery. Viewed against the exceptionally depressed conditions of 1932 and early 1933, the current situation appears, and indeed is, decidedly favourable. But if we take as our objective the full employment of labour and resources, there is less reason for satisfaction.

"Approximately one million persons—workers, farmers, and their dependents—are still in receipt of relief payments. That is to say, that about 9% of the people of Canada, largely through no fault of their own, are dependent in varying degree upon government assistance for their maintenance. Nor does this complete the picture, for there remains an unknown though unquestionably large number of persons who are not on relief but who are without employment.

"At first glance this condition may not seem compatible with the substantial increase of employment during the past four years. The average number of persons at work in 1936 was 20% greater than in 1933 and only 10% below the peak level of 1929. The fact is, however, that the population of working age is to-day much larger than in 1929. While specific data are not available, it is safe to say that the employable working force has grown by more than 10% during the past seven years. If then, we take into our calculations the growth in the population seeking work, we are led to the conclusion that employment is at least 20% below a level which could be considered as favourable.

"Before leaving this question, we should do well to remember that the costs of unemployment have been and still are very high. There are the obvious costs entailed in the provision of relief, with the resulting strains on the budgets of our governments. Furthermore, there are the less obvious but very important costs of a social nature. I refer to the losses of efficiency and morale among those who for long periods have been without employment and to the difficulties of young men who reached working age during the depression.

"Extended periods of unemployment have gravely impaired the abilities of a large number of former workers. For many of these the prospects of returning to work can at best be regarded as slim. Even under the most favourable circumstances, the problem of government assistance to many such persons is likely to remain. In addition, young men who would normally have found jobs have in many cases been without a permanent vocation. I need not stress the social costs and even the dangers of this situation, for it is obvious that lack of opportunity to acquire training and the development of discontent among the younger generation are bound to have repercussions for many years to come.

"One of the results is already becoming apparent. The number of new entries into the skilled trades has for seven years been much below average. Now that business is improving there is an actual danger of a shortage of skilled labour. This condition, indeed, is becoming conspicuous in certain industries of the United States and there is good reason to believe that it is developing in lesser degree in this country. The work of the National Employment Commission is therefore of the utmost importance, especially in respect to its efforts on behalf of younger persons."

The Position of the Building Trades

"Employment conditions have been least satisfactory in building construction and in the industries closely associated with it. Last year, the building trades provided work for less than half as many people as in the five years immediately preceding the depression.

"While employment in the building field as a whole has not increased during the past year, there has been a modest expansion in the construction of residences. It is in the provision of housing that the possibilities of improvement appear most favourable. Wage and material costs are still well below the levels of prosperous years and mortgages are being contracted at lower rates. Government assistance through the Housing Act and through the Home Improvement Plan, in the operation of which the Chartered Banks are glad to co-operate, is making low cost money more generally available. Perhaps the most serious barrier still impeding revival is the high and varied municipal taxation on property. High taxation in many municipalities discourages the purchase and holding of real estate and seriously handicaps the speculative builder. Above all, it exercises a strong restrictive influence upon the prospective home-owner."

Need for Revision of Taxing System

"The stresses and strains of the depression have shown very clearly the weaknesses of the machinery of public finance and more particularly of the distribution of taxing powers as between federal, provincial and municipal authorities. It is my opinion that a careful revision of the entire taxation structure of the Dominion, with a view to greater co-ordination and more efficient collection of taxes as between our various governmental bodies, would have favourable effects upon business generally and upon construction in particular. I realize, of course, that such a revision might involve difficult problems of a constitutional nature, but these are, I believe, capable of solution and I feel we should be well advised to keep this objective in mind."

Recovery and the Farmer

"The other major industry where further improvement is most necessary is agriculture. Despite the revival that has already occurred—and it has been substantial—total farm income is still depressed, particularly in the Prairie Provinces. The net aggregate income of farmers during the past year was about 40% below the average of the five years, 1925 to 1929. If allowance is made for the lower costs of the goods which the farmer buys, it appears that the purchasing power of the agricultural population as a whole was some 20% below the levels of those prosperous years.

"In the Prairie Provinces, the loss of income has been more severe, for wheat has played the greatest part in the reduction of agricultural revenue. Although wheat prices have been rising, returns have been restricted by the exceptionally small crops of the past four seasons. Moreover, income from wheat has been very unevenly distributed, owing to the continuance of severe drought over large areas of the southern and central Prairies.

"Apart from wheat, the position of agriculture is on the whole encouraging. Dairy output has been steadily expanding in nearly every Province. In response to a good market in Great Britain, more attention is being paid to hog raising, while the resumption of cattle sales to the United States has assisted Canadian producers. Fruits and vegetables have been grown in larger quantities. One of the most favourable aspects of the picture is the clearly marked tendency toward greater diversification in northern and central sections of the West.

"Returning to wheat, our excessive surplus is being rapidly liquidated. It now appears that the carryover will be reduced to small proportions by the close of the crop season on July 31st. The current price of around $1.25 per bushel gives much cause for satisfaction."

But as Mr. McLeod pointed out: "the practical elimination of surplus wheat stocks is the direct result of below-average crops for the world as a whole during three successive years. The fact is that the recent advance in wheat prices is a reflection of reduced supplies rather than of increased demand. Nationalistic tendencies, fostered by political fears, have for years past been reflected in protection and active encouragement of agriculture in the importing countries of Europe. These policies have been effective in lessening the dependence of such nations upon imported wheat. If the tendencies toward economic self-sufficiency are not reversed, one cannot help but feel that one or two better-than-average crops in the chief exporting countries might have unfortunate market consequences and might finally involve the accumulation of new surplus stocks.

"While I say this, I still feel that a large crop in the Prairies is eminently desirable. It would do more than anything else to stimulate Canadian business. To avoid the recurrence of a wheat surplus, this country must seek vigorously to develop new markets . . . . Every effort should be directed towards keeping down the cost of production so that the farmer's net income may be well sustained while at the same time permitting the continuous sale of Canadian wheat on the world market. In this regard, it is noteworthy that the costs of the goods the farmer buys have been slow to rise during the past few years, just as they were slow to fall during the preceding years of recession. In addition, the tendency toward greater diversification in the West should be encouraged wherever practicable."

Progress Toward Balanced Budgets

"A further requisite of full recovery is the balancing of budgets, federal, provincial and municipal. During the past year, considerable progress has been made. Revenues, especially in the case of the Dominion Government, have been above expectations and some further reductions in expenditures have been achieved. The Federal deficit is likely to be below $100 millions for the first time in several years. During the last full fiscal year it was $162 millions short of reaching a balance. Moreover, some of the provincial governments have also made definite progress.

"The depression has involved large special expenditures which have been a major cause of budget deficits. With improvement in business some reduction in these expenses has already been achieved and if recovery continues, further savings will undoubtedly be made. But a succession of deficits in the federal, provincial and municipal fields have left behind them a great accumulation of new debt, which despite conversions to lower interest rates, has resulted in an appreciable increase in debt charges. Furthermore, as I have already indicated, there is no prospect of completely eliminating financial assistance for some of the most unfortunate victims of the depression.

"The current lack of balance in the federal budget is largely the result of unemployment and of restricted railway traffic. I have already emphasized that a great deal of unemployment is connected directly and indirectly with the lack of new construction and with depressed farm income. These same factors are important causes of restricted railway traffic. Building materials, normally one of the largest classes in freight loadings, are to-day being carried in only small volume and wheat, owing to short crops, has become a less important item of revenue. Although it is not generally recognized, this condition is responsible for a greater decrease in railway traffic than the competitive gains on the part of the truck."

The Immediate Outlook for Business

"The immediate outlook for business, both domestic and export, is favourable to continued improvement, provided that peace is maintained. Perhaps the most heartening development of the past year has been the notable acceleration of recovery in the United States. While the problems of our great neighbour are by no means solved, there is every reason to believe that the upward movement is gathering a momentum which, barring unforeseen developments, will carry business forward for some time to come. In addition, present indications point to the maintenance of active conditions in the business of our other great customer, the United Kingdom. We have good reason, therefore, to look forward to further increases in export trade.

"Another encouraging development outside the borders of Canada has been the devaluation of the French franc and the other 'gold bloc' currencies in co-operation with the Governments of Great Britain and the United States." Mr. McLeod made the point that devaluation should assist recovery in the "gold bloc" countries with favourable effects upon their trade, both export and import. He added that the monetary co-operation held hope for more stable exchange rates which, if maintained, would "provide a basis upon which constructive action may more readily be taken towards the reduction of other trade barriers and towards a revival of foreign investment."

The Disturbed International Situation

"These developments are encouraging. But as we are all painfully aware, they are the bright spots of an otherwise discouraging and disturbing international situation — more dangerous than anything the world has faced since 1914. The Covenant of the League of Nations has been flouted. The Pact of Locarno, upon which we placed so much faith, has broken down. Spain, ravaged by civil war, has become a battlefield upon which citizens of certain nations of Europe, whose Governments are officially at peace with one another, are aligned in opposing camps. This situation has increased the risk of war, an eventuality which most nations and the vast majority of men the world over do not want.

"For Canada, peace is the absolute requisite of lasting economic welfare. It would be idle to deny that the armament race is having favourable repercussions upon certain sections of the business structure. But overwhelmingly more important is the fact that intensified economic nationalism, now part and parcel of the building up of armaments, is holding back world recovery and thus restricting Canadian exports. It is greatly to be hoped that sanity will prevail and that the difficult problems which face the world will be solved through arbitration and compromise."

General Manager's Address

After reviewing at some length the changes in the items of the balance sheet and the profits for the year, Mr. H. F. Patterson, General Manager, turned to the more general problems confronting the Bank and spoke, in part, as follows:

"When addressing you last year we intimated that in our opinion a certain measure of recovery had already occurred and that we were justified in looking forward to 1936 with a moderate feeling of optimism. The year has justified our optimism and although we had to contend with a declining rate of interest on high-grade securities, in which we have a large investment, we are happy to be able to present to you to-day a report showing an improvement of roundly $92,000 in earnings after taxes.

"Our total taxes continue at a high level and in 1936 we paid the various taxing bodies in Canada $1,016,271 and in other countries $125,141, so that our total tax bill was $1,141,412. Comparison of the Bank's tax bill with the dividends paid, viz. $1,440,000, gives an indication of the extent of the tax burden on the earning power of the Bank.

"Occasionally one hears criticism of the rate of dividend paid by the Chartered Banks—in our case 12%—but the rate of dividend is not a true indication of the return received by the shareholders on their investment. Our Reserve Fund, which is largely made up of premiums contributed by shareholders on new issues of stock from time to time, is, as you know, double our Capital. When this is taken into consideration, along with the Capital, the dividend paid is in our case only 4% on the book value of the shareholders' investment and this is the rate of return received by the shareholders. Even under present conditions such a return can hardly be regarded as excessive.

"Apart from the repayment of loans against wheat and the repayment of our share of an advance made by the chartered banks to the Canadian Pacific Railway, our commercial loans show an increase for the year which is encouraging. We are hopeful that the low point in this department of our business has been passed."

Evidence of Improvement in Commercial Loaning

Mr. Patterson then turned to the field of Canadian banking generally and noted from the monthly statements of the banks that a similar tendency for current loans to increase had been shown in recent months. He considered this a very favourable development and pointed out that, while there was a substantial reduction over the year—

"The aggregate of such loaning by the chartered banks had risen appreciably — from $650 millions in July last to $693 millions in November, the date of the last official statement. If the figures be adjusted so as to allow for the normal seasonal change, it appears that the net increase has been in the neighbourhood of 5%. If the upward trend of business is maintained, there is good reason to anticipate a modest expansion over the next twelve months.

"The other major assets of the banking system—call loans, security holdings and cash—have increased considerably during the year just closed. The total of call loans in Canada responding to greater activity and rising prices in the stock markets, was 20% larger than a year ago. Security portfolios of the banks were much in excess of holdings in November, 1935. Cash, too, in the form of deposits with the Bank of Canada and of legal tender, showed an appreciable advance over the year."

Bank Deposits and Their Rate of Turnover

"In line with these increases in assets, bank deposits in Canada have grown further to a level almost as high as that of 1929.

"If the volume of bank deposits were an accurate measure of business activity, the present situation could perhaps be described as favourable. Unfortunately it is not, for the rate at which deposits turn over is just as important as their total money value. At the present time, deposits are not being used as rapidly as in prosperous years. During November last, they turned over 1.52 times, whereas in November of 1927, 1928 and 1929 the rates of turnover were 2.02, 1.99 and 1.85 times, respectively. It becomes quite clear, therefore that the limited effectiveness of the recent expansion of bank credit arises from the fact that the rate at which deposits are being used is still comparatively slow."

The Persistence of "Easy Money" Conditions

"Additional purchases of securities by the banks, insurance companies and other investors have been accompanied by a further reduction in the yields on high-grade bonds. The rate on Treasury Bills, though somewhat higher than the record low point reached this Summer, is substantially lower than was the case a year ago, while yields on long-term obligations have also fallen considerably. At the present time, indeed, the spreads between yields on Dominion of Canada bonds and those on the securities of the Governments of the United States and the United Kingdom, are much smaller than the spreads to which we had become accustomed in years past.

"Broadly speaking, the Chartered Banks increased their holdings of securities because of the continued pressure of their large cash reserves. This condition in turn was the direct result of two factors; first, continuance of the 'easy money' policy on the part of the Government, and secondly, the repayment of the special loans, to which I have already referred. Over the twelve months ended November, the Bank of Canada enlarged its own holdings of securities by approximately $48 millions. An important part of these purchases was no doubt made to provide the additional notes which were required by the public because of the statutory reduction in the note circulation of the Chartered Banks and also because of the increased volume of circulation required by more active conditions of business. A significant portion of this security buying, however, had the effect of increasing the cash reserves of the Chartered Banks."

The Uneven Distribution of Cheap Money

"There is good reason to believe that the reduction in the yields on high-grade securities has gone far enough. In support of this view, I have two main points in mind. First of all, it is quite clear that the benefits of 'easy money' have been slow to work through the economic structure. Secondly, the pressure of cheap money tends to encourage excessive expansion in certain activities, while it has little effect upon others. If carried too far, it may promote an unbalanced recovery.

"'Easy money' has enabled strong government bodies to make substantial savings. It has also permitted a considerable amount of refinancing of outstanding high coupon issues on the part of corporations of good credit standing. As yet, however, it has not resulted in any substantial volume of new financing. It has led the way to lower rates on mortgages but such reductions have not been reflected in much new building. It has done very little to assist farmers, particularly those in greatest need of assistance, in brief, the benefits of 'easy money' have as yet been enjoyed only in a limited field.

"It may be of some value to develop this point further. As the President has pointed out, the industries where conditions remain the least satisfactory are construction and agriculture. In the building trades, he noted that 'easy money' had not yet resulted in any considerable revival, despite special action on the part of the Government. The fact is that other restrictive influences such as high taxation on property and lack of confidence have to date had a telling effect in hindering improvement. Turning to agriculture, the problem is essentially a matter of low income arising out of a reduced value of export sales. The farmer's primary need is an enlarged demand from abroad and it is encouraging to note that the Government at Ottawa has recently signified its intention to give special consideration to the development of agricultural exports.

"A better balance between agricultural expenses and revenues is also desirable. Already considerable progress has been made through the greater rise in the prices of farm products than in those of manufactured goods. In cases where physical conditions and restriction of markets have caused especially heavy losses of income, debt adjustment of a voluntary nature is tending to lower farm costs. The recent adjustments in Saskatchewan, for example, based on the principle of compromise, should have favourable effects. It may be claimed that forced reductions and repudiation, which we have seen elsewhere, have also achieved an immediate decrease in the farmer's expenses. But action of the latter kind not only damages the credit of individuals and of governments, but strikes at the very roots of the contract system upon which the structure of trading and exchange is based. What is gained in immediate relief by repudiation may be more than offset by the harm done to the borrower's credit which will undoubtedly make new loans difficult to negotiate, even at higher rates of interest.

"Clearly, solution of the basic problems of agriculture does not lie within the scope of 'easy money.' Nor must it be forgotten that, in achieving savings for governments and corporations, 'easy money' has brought about lower incomes for the holders of securities. The incomes of thousands of individual owners of bonds have in this way been substantially reduced. As a result of the low yields on their enlarged holdings of government obligations and of the reduction in commercial lending, the Chartered Banks have been compelled to cut the interest rate on savings deposits from the former level of 3% to the current rate of 1½% and have materially reduced dividends paid to shareholders. For similar reasons, the life insurance companies have paid lower dividends and have increased their rates on new business. Needless to say, these changes have adversely affected in varying degree a large proportion of the Canadian people."

Low Interest Rates and the Stock Market

"'Easy money' has had other important effects. Owing to the low returns on high-grade bonds and on bank deposits, many investors have turned towards the stock market. In this way cheap money overflowing from the bond market, has been an important factor in raising the level of stock prices. This development cannot be regarded as entirely favourable, for it has led to much anticipation of future earnings and has increased the danger of over-expansion.

"As we are well aware, 'easy money' has not been a phenomenon peculiar to Canada. It must be admitted, indeed, that the pursuance of such a policy in this country has been made practicable because of the fact that conditions of 'easy money' have ruled in the United States and in Great Britain. The course of financial events in these two nations is therefore of more than passing interest to Canadians."

The Pressure of Cheap Funds in the United States

"In no country has the pressure of 'easy money' been carried farther than in the United States. Through security purchases by the Reserve Banks and through an unprecedented inflow of gold, the cash reserves of the banking system were raised to a level twice as large as that required by law. Excess reserves—those above legal requirements—increased from a negligible figure in the early months of 1932 to the stupendous total of $3,000 millions by the beginning of 1936.

"The growing pressure of these excess reserves had already stimulated a remarkable expansion in investments. The banks, eager to make fuller use of their resources, had been buying securities, largely those arising out of the financing of the deficits of the United States Government, at progressively lower yields. Though such buying has been largely in the shorter maturities, it was reflected in the long-term rate of interest. From a peak of 4.3% in January, 1932, the average yield on long-term obligations of the Federal Government (i.e. those maturing more than eight years hence) fell to a new low point of 2.3% in November, 1936. During the current year, bank loans as well as investment holdings showed an appreciable growth. As a result of these influences, total deposits of all banks in the United States advanced from $38,000 millions on June 30, 1933, to $51,300 millions on June 30, 1936. The latest figure is less than 5% below the total for June 30, 1929, but as in Canada, deposits are turning over at a slower rate than was the case in prosperous years.

"This condition has enabled the United States Government to finance its deficits at low interest rates and has permitted a substantial amount of government refunding. 'Easy money' has assisted a large volume of corporate re-financing to lower rates and some new borrowing. It has also greatly stimulated the market for common stocks.

"The rapidity of the growth in bank credit, resulting from the pressure of excess reserves and fed by the great budget deficits, has brought out the danger of unbalanced expansion which might develop into uncontrollable inflation. The overflow of cheap money into the stock market, seeking a better return and a hedge against rising commodity prices, has further emphasized the need for restriction. In these circumstances, the Treasury and Reserve Board have taken action."

Corrective Measures in the United States

"In August last the Federal Reserve Board announced an increase of 50% in the legally required reserves of member banks. This step had the immediate effect of reducing excess reserves from $3,150 millions to $1,800 millions. But as the year wore on, excess reserves rose again in response to a continued inflow of gold from Europe: by the end of November they had increased to $2,200 millions. In these circumstances, the Treasury recently outlined a new policy designed to offset the effects of purchases and sales of gold upon the cash reserves of commercial banks. Moreover, it has recently been stated that the Reserve Board, with the approval of the Treasury, is giving serious consideration to the possibility of further restrictive action.

"It should also be added that direct action has been taken to restrict potential expansion of credit in the stock market. Margin requirements for loans against stocks have been raised by the Securities Exchange Commission to comparatively high levels. At the present time the position in rough outline is that speculators must maintain margins with their brokers amounting to 55% of the market value of stocks carried and that banks must require a similar margin on loans against stocks for the purpose of purchasing or carrying stocks."

Export Trade Vital to Canada

"In discussing the question of 'easy money,' I have not wished to minimize its part in domestic business recovery. It has had some beneficial effects in the improvement that has thus far taken place. It may be expected to assist further expansion, which, if it occurs, will arise primarily out of the diffusion of growing export income throughout the economic structure. But as I have endeavoured to bring out, the reduction in the yields on high-grade securities has gone far enough, and further emphasis on 'easy money' involves serious dangers of unbalanced expansion.

"The fact of the matter is that the Canadian economy is geared to an export basis. We are equipped by nature and by the efforts of many years to produce certain goods in a volume far in excess of our own domestic requirements. Upon the export of such products depends not only our ability to import a wide variety of commodities necessary to the maintenance of satisfactory living standards but also the economic welfare of the many Canadians engaged in the production of these export products. And as the President has emphasized, conditions in the export industries are by long odds the most important influence affecting the general state of business.

"It must be admitted that the 'easy money' policies of the United States and Great Britain, to the extent that they have stimulated recovery in those countries, have indirectly assisted Canadian exports. More active conditions in the markets of our two great customers have been associated with enlarged imports of which Canada has provided a substantial share. But 'easy money' in the great creditor nations is not a cure-all for the economic nationalism which is impeding revival in international trade. In some cases, indeed, such monetary action is being used to buttress highly nationalistic policies.

"The greatest factor tending to intensify economic nationalism is the disturbed political situation abroad. An abatement of political fears, coupled with a revival of international investment and a greater willingness of creditor nations to accept imports, are now the essential requisites of lasting improvement in international trade.

"In concluding my remarks I wish to take the opportunity of expressing to the Executive Officers, Managers and Staff my sincere appreciation of their continued loyalty and co-operation. Throughout the difficult years of the depression exceptional demands have been made upon the time and resourcefulness of all the members of our staff and I can unreservedly say that they have responded loyally and efficiently."

Kirkland Lake Gold Shows Drop in Recovery Per Ton

Final quarter of 1936 production figures for Kirkland Lake Gold Mining Co., show a gross recovery of $201,743 from 20,746 tons, or a recovery per ton of $9.72. For the 12 months ended Dec. 31, 1936, Kirkland Lake Gold produced $745,489 from 84,679 tons, or an average recovery per ton over the entire year of $8.80.

This average recovery shows a light drop from the 1935 record, when production grossed $864,477 with recovery per ton averaging $10.83.

THE CONTINENTAL LIFE MAKES
FOUR SQUARE PROGRESS
IN 1936

TOTAL ASSETS
1936 — $8,817,441
1926 — 5,086,403
1916 — 2,220,166
Increase 1936, $473,176

TOTAL INCOME
1936 — $1,741,123
1926 — 1,273,520
1916 — 460,350
Increase 1936, $67,848

POLICY RESERVES
1936 — $7,594,212
1926 — 4,464,149
1916 — 1,813,424
Increase 1936, $366,282

INSURANCE IN FORCE
1936 — $38,369,821
1926 — 30,169,012
1916 — 10,565,849
Increase 1936, $1,512,819

Payments to Policyholders and beneficiaries in 1936 amounted to $789,952.
Surplus to Policyholders (including Paid-up Capital) increased to $680,330.
Complete annual report gladly furnished on request.

The Continental Life
INSURANCE COMPANY
JOHN W. HOBBS, PRESIDENT
NEWTON J. LANDER, MANAGING DIRECTOR
A Purely Canadian Company - - - Established 1899

Progress

Striking evidence of the progress of the Crown Life is afforded by the following figures taken from the Annual Report of the year just completed:

1935 $		1936
	Policies Issued up 6%	
29,590,884.00		31,464,276.00
	Insurance in Force up 8%	
156,989,682.00		170,268,583.00
	Assets up 15%	
23,669,127.94		27,192,878.62
	Cash Income up 19%	
6,601,180.01		7,836,444.21
	Free Surplus up 20%	
1,094,333.75		1,308,137.33

Assets

First Mortgages on Real Estate	34%
Government and Municipal Bonds	32%
Public Utility and Industrial Bonds	8%
Preferred and Common Stocks	4%
Loans on Company's Policies	12%
Home Office and Other Real Estate	3%
Cash and Other Assets	7%
	100%

Average Rate of Interest Earned 5.38%

All Bonds, Debentures and Stocks owned by the Company are taken at ledger value, which is $780,806.36 less—that is to say, 6% less—than the actual market value.

CROWN LIFE
Established 1900
INSURANCE COMPANY
Home Office Toronto
Rt. Hon. Sir Robert L. Borden, *President*
H. R. Stephenson, *General Manager*

Toronto Branch Offices:
Crown Life Bldg., 55-59 Yonge St.; M. Kaplan & Son Agency, 48 Yonge St.

New Schedule May Increase Car Insurance

Drop in Rates Seen For Some Classes of Fire Risk

REVISION GENERAL

A general revision of fire and automobile insurance rates was indicated at last week's meeting of the Canadian Underwriters' Association. Generally speaking, changes likely to be made by the association, which determines the rates at which insurance is written in Ontario and Quebec by its member companies, will mean reduction in fire insurance rates and an increase in automobile rates.

It is understood committees of the association have been working for some time on fire insurance schedules, with a view to bringing them more into line with loss experience. The new rates which are expected to be introduced in about six weeks, will provide reductions ranging as high as 20% to 25%, on certain classes of risks in certain territories. On the other hand, there may be some increases in classes where experience has been unsatisfactory over a period of years.

Auto Rates Higher

Changes in automobile insurance rates are less definite. A committee is at present working on the matter, and it is stated that next spring will see rates jacked up considerably. Just when this will take place, whether at the beginning of April, or a month before or after that time, has not yet been determined.

Underwriting experience in automobile insurance has been considered unsatisfactory by the companies for some time. A number of companies have adopted the policy of writing only selected risks, and others have retired from this class of business entirely. The action planned for next spring is generally regarded overdue.

Monarch Life Reports Gains

New business paid for in 1936 by Monarch Life Assurance Co. increased 7.6% during 1936 according to preliminary figures by Gordon C. Cummings, general manager. Business in force gained $1.4 millions while terminations for the year dropped 19 per cent as compared with 1935.

Reports of December business show this to have been the best month for the company since 1931. Volume of paid business was over $900,0000, an increase of 47% over the same month in 1935.

Merchants Sale Given Approval

Meeting at Waterloo last week, shareholders of the Merchants Casualty Co. ratified sale of the company to the Economical Mutual Fire Insurance Co. The meeting itself was a mere formality as directors of the company, who had previously approved the sale, hold a controlling interest in the capital stock.

Details of the offer have not as yet been made public, but The Financial Post is informed that shareholders are likely to realize something over 50 cents on the dollar. The offer made by the Economical took the form of a cash consideration for cash assets of the Merchants, and a substantial amount—about $10,000, it is reported—for goodwill. In lieu of a portion of the cash, the Merchants' shareholders elected to retain some of their security holdings.

Insurance Inklings

F. T. STANFORD has joined the Toronto City branch of Canada Life. He was formerly in charge of the advertising and service sections of the company's agency department. Mr. Stanford first joined the company in Sept. 1899.

* * *

BYRON P. CRICHTON has been elected president of the Windsor branch of the Life Underwriters Association. CHARLES HOPE is vice-president.

New Licenses

The federal department of insurance has granted certificates of registry to the following companies authorizing them to transact the classes of insurance named in addition to those for which they are already licensed.

Mercantile Insurance Co. — Automobile, burglary.

Yorkshire Insurance Co. — Falling aircraft, earthquake and civil commotion, limited to insurance of property insured under a fire policy of the company.

The
Wawanēsa Mutual Insurance Company
Canada's Largest Fire Mutual

A leading All-Canada Company — in volume; in strength; and in service to "select" property-owners and agents.
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FIRE, WINDSTORM, AUTO, CASUALTY

FIDELITY
Insurance Company
of Canada
TORONTO

Life Insurance Reports

Canada Life

A gain of over 8% in new business paid for in 1936 is reported in the 90th annual report of Canada Life Assurance Co. The 1936 figure was over $57 millions. The company also sold annuities for an amount over $2.5 millions compared with $3.9 millions in 1935. Total business in force was slightly lower at the end of the year at $814 millions.

Total assets were reported by the company to have crossed the $250 millions mark for the first time in the company's history. This is after writing these down by an amount of $773,000.

Surplus funds and special reserves amount to $9.1 millions of which $2 millions is a special contingency reserve and $4.5 millions is free surplus over and above all liabilities. This latter account is $493,000 greater than a year ago. The remainder of the special reserves account is taken up by policy dividend reserves.

Analysis of receipts and expenditures shows net premium income lower by $2.6 millions than a year ago. Investment income is slightly lower at $10.5 millions while profit from sale of ledger assets is considerably higher at $577,000. Among disbursements, death claim payments were higher at $7.5 millions but surrender value payments were considerably lower at $6.5 millions. Dividends to policyholders were also considerably lower.

Summary figures of important items in the accounts follow:

	1936 $	1935 $
New ins. paid for ..	57,036,407	52,602,927
Business in force ..	814,131,652	816,848,853
Cons. for annuities .	2,572,659	3,894,935
Income and Disbursements		
Net prem. income .	26,099,017	28,667,706
Interest, rents, etc. .	10,555,883	10,674,325
Total receipts	39,240,910	41,237,571
Policy payments:		
Death claims, etc.	7,564,690	6,808,917
Matured endow. .	6,310,930	4,219,173
Surrender values..	5,414,745	6,489,310
Policy dividends..	2,781,284	3,942,518
Annuity payments	4,362,885	4,922,192
Assets and Liabilities		
Net ledger assets ..	244,068,770	239,629,633
Total assets	252,513,476	248,893,105
Govt. & mun. bonds	103,200,005	92,822,119
Other bonds	38,481,301	38,780,347
Mortgages	48,634,630	50,004,816
Policy loans	26,855,015	30,168,281
Policy reserves	226,582,324	223,928,614
Conting. res.	2,000,000	2,000,000
Free surplus	4,504,193	4,011,291

Continental Life

A gain of 4% in insurance in force is shown in the annual report of Continental Life Insurance Co. this week. The amount outstanding at the end of 1936 was $38.4 millions. New business issued was $6.3 millions compared with $6.9 millions in 1935. According to John W. Hobbs, president, the company has outstanding 22,255 policies.

Premium income increased to $1.2 million while payments to policyholders and beneficiaries declined despite higher death claim payments. N. J. Lander, managing director, reported a reduction in policy and premium loans, and increased loan repayments.

Total assets rose almost $500,000 to $8.8 millions—the highest point in the company's history. Of this total, mortgages amounted to $2.2 millions, bonds and debentures to $3.2 millions. Stocks were valued at $701,000 compared with $497,000 in 1935. Free surplus remains unchanged at $379,000, but additional reserves of $25,000 for general contingencies and $20,000 in respect of mortgages appear in the accounts for the first time.

Summary of comparative figures follow:

	1936 $	1935 $
New ins. issued* ...	6,321,846	6,897,701
Business in force ...	38,369,821	36,857,002
Net income	1,741,123	1,673,275
Policy payments ...	789,952	840,319
Policy reserves	7,594,212	7,227,930
Total assets	8,817,441	8,344,265
Free surplus	379,229	379,182

*Including reinstatements.

Crown Life

A gain of 6% in new business issued and an 8% increase in business in force is shown in the 36th annual report of Crown Life Insurance Co. Business in force at the end of the year reached a new high total of $170 millions.

Premium income rose sharply by 22% with higher receipts from new and renewal premiums and a gain of over $600,000 in single premium income. Profit on sale of securities is shown at $87,000 compared with $107,000 in 1935 while $48,700 was received in respect of payments on capital stock. Among disbursements, mortality experience brought claim payments 20% higher than in 1935.

Assets are 15% higher at $27.2 millions, there being sharp increase in holdings of government and municipal bonds which now stand at $8.8 millions or 32% of the total. Securities are shown at ledger value which is $780,800 less than actual market value. Policy loans are slightly higher but amount to only 12% of total assets. Interest earnings are reported at 5.38% compared with 5.54% in 1935.

Surplus on the year's operations was $457,561 compared with $828,000 in 1935. Of this, $243,700 was applied toward dividends paid and accrued to shareholders and policyholders and the balance applied to free surplus which has now risen to $1.3 million.

Crown Life Insurance Co.

	1936 $	1935 $
New business issued	31,464,276	29,590,884
Business in force ...	170,268,583	156,989,682
Income and Disbursements		
Total income	7,836,444	6,601,180
Policy payments:		
Death & disability claims	882,109	729,678
Policyholders	1,642,138	1,634,813
Assets and Liabilities		
Total assets	27,192,879	23,669,128
Mortgages	9,232,973	8,778,630
Govt. & mun. bonds	8,780,597	7,382,929
Policy loans	3,400,993	3,340,003
Policy reserves	23,920,561	20,856,361
Free surplus	1,308,137	1,094,334

Great-West Life

An increase of $5 millions in business in force is reported by Great-West Life Assurance Co. in figures issued preliminary to its 45th annual report. Total business at the end of the year now amounts to $575 millions. New business placed during the year inclusive of annuities was $49.7 millions. This compares with a "business issued" figure for 1935 of $50.7 millions.

Total assets are higher by $6.4 millions and have crossed the $150 millions mark for the first time in the company's history. Income was $27.3 millions and policy payments $15.1 millions. Death claims paid totalled 1,314, compared with 1,264 in 1935. These involved claim payments of $3,750,000 compared with $3.4 millions in 1935.

The company's annual meeting is being held at Winnipeg, Feb. 2.

	1936 $	1935 $
New ins. placed	49,706,207	†50,667,747
Bus. in force	575,844,591	570,774,224
Total income	27,301,331	26,531,468
Policy payments ...	15,147,510	16,195,082
Total assets	150,005,674	143,595,896
Conting. res. & surp.	5,438,935	5,352,525

†Issued business shown for 1935.

London Life

A gain of 10% in new insurance issued and an increase of $24.4 millions in business in force is reported by London Life Insurance Co. in its 61st annual report. Total business in force now amounts to $541 millions while new business placed by the company reached $85.9 millions.

Assets rose to a new high figure in the company's history, namely $109 millions — a gain of 8.5%. Of this total, about 80% consisted of two items divided equally between mortgages, and bonds and debentures. Of the former 87% is invested in city loans in Ontario and Quebec; of the bonds, 76% is invested in federal and provincial bonds; 9% in municipal and municipal guaranteed securities.

He also reported that the company's investment reserves now totalled $5,250,000 made up as follows: mortgage reserve, $2.5 millions; securities reserve, $1.5 million; general investment reserve, $1,250,000. In addition, securities which have not suffered depreciation were reported to have an excess market value of $3.1 millions. Free surplus at the end of the year increased approximately $500,000 to $4.5 millions.

Rate earned on the company's invested assets was 5.2% in 1936, compared with 5.45% in 1935.

	1936 $	1935 $
New ins. issued	85,953,692	78,431,922
Bus. in force	541,417,397	517,006,245
Policy payments ...	8,773,000	8,350,920
Total assets	109,101,346	100,560,916
Investment reserves	5,250,000	4,500,000
Free surplus	4,542,557	4,047,357

Manufacturers Life

A gain of 2% insurance in force was reported for 1936 by Manufacturers Life Insurance Co. at its 50th annual meeting last week. Total outstanding on the company's books at the end of the year was reported at $532.5 millions.

New business was shown on a "business effected" basis at $56.4 millions to comply with the new Ottawa ruling. This excludes about $4.5 millions of applied for insurance which would otherwise have been shown. Sale of business on ordinary insurance plans was $3 millions greater in 1936. Policies surrendered during the year were lower by $4 millions and policies lapsed by nonpayment of premium were lower by $2 millions.

Total assets rose $9.8 millions to the highest point in the company's history ($143.7 millions). Of the total, $79.1 millions is represented by bonds and $6 millions in stocks. It was reported by J. H. Lithgow, general manager, that there is a substantial margin between book and market values not credited on the books of the company.

Mortgages now total $26.5 millions of which $19.5 millions is in urban mortgages and $6.75 millions in farm properties. Rate of interest earned on the mortgage account based on cash collections was 5.32%. Gross rate of interest earned on all assets during 1936 was 4.7% compared with 4.87% in 1935.

The company reports that during the year about $1 million was loaned on new mortgages on urban property of which about one-fifth was for new loans made in co-operation with the Government housing plans.

Net premium income was slightly lower in 1936 but total premium income was higher when an amount of $795,000 "deposited for payment of future premiums" is taken into consideration. Net profit from sale of securities was $510,000. No comparable item of this nature was reported in 1935.

Out of surplus earnings the company appropriated $500,000 toward its contingency reserve which now stands at $2 millions. Free surplus was increased by $137,300 and now totals $3.3 millions.

Comparative figures in summary form follow:

	1936 $	1935 $
New ins. effected..	56,449,328	*62,737,904
Business in force ..	532,539,708	519,956,595
Income and Disbursements		
Net prem. income .	21,379,243	21,798,523
Interest & dividends	6,339,385	6,087,646
Total income	30,713,813	29,760,357
Policy payments:		
Death claims	4,167,712	3,586,489
Surrenders, maturities etc.	7,601,400	7,978,577
Policy dividends .	1,875,580	1,906,833
Assets and Liabilities		
Ledger assets	138,373,770	128,305,526
Total assets	143,685,518	133,824,000
Bonds	79,153,333	66,973,323
Mortgages	26,262,318	27,768,506
Policy loans	19,293,686	20,536,973
Policy reserves	121,407,993	113,554,909
Dividend reserve ...	4,575,000	4,550,000
Conting. reserve ...	2,000,000	1,500,000
Free surplus	3,329,173	3,191,877

*Business issued.

Confederation New Accounts

Issues Revenue Statement For First Time at Annual Meeting

Feature of the annual meeting of Confederation Life Association at Toronto this week was the appearance for the first time of a revenue and surplus account by the company.

In introducing this new feature, V. R. Smith, general manager, pointed out that for some years the majority of companies on this continent have followed the conventional form required by insurance departments and which shows merely a cash statement of receipts and expenditures. He explained also that for some years the company has published in England, in common with all other life companies, a revenue and surplus account.

"The directors of the company believe," said Mr. Smith, "that publication of a revenue statement, showing the surplus earned for the year, and a surplus account showing the disposal made of the surplus earned, will be welcomed by the insuring public as a forward step.

"Warning should be given, however, that surplus earned is not a criterion of the relative merits of competing insurance companies, but is, however, an excellent measuring stick for the broad and general progress of any one company over a period of years."

High Surplus Earnings

Analysis of the company's consolidated surplus account for 1936 shows surplus earned for the year of $3.2 millions made up in part by a credit of $732,800 as net profit on securities and exchange. This surplus has only been exceeded twice in the company's history it is reported.

Distribution of this surplus shows $1.8 million allotted as dividends to policyholders; $424,600 written off bonds and stocks; $247,200 written off mortgages; and $661,000 allotted to the credit of unassigned surplus. The latter figure now stands at over $4 millions.

$5 Millions Excess Values

Analysis of the company's balance sheet shows total assets of $112.9 millions of which $70.5 millions is in bonds and debentures at amortized values; $14.6 millions in policy loans and $14 millions in mortgages. Market value of these assets is currently $5 millions in excess of book values, it was reported.

Ordinary Life $377 Millions

1936 Business Shows Gain of 2% Over Previous Year's Total

With a gain of 1% in December sales when compared with 1935, volume of new life insurance paid for in Canada and Newfoundland during 1936 rose to $377 millions. This is a gain of 2% over the corresponding figure for 1935.

This total is the record of 19 companies having in force 90% of total business in force in these two countries. It is exclusive of group and industrial policies and of annuities and pension bonds. The figures are compiled monthly by the Sales Research Bureau.

All areas showed an increase for 1936 with the exception of Quebec and Newfoundland. Gains were largest on a percentage basis in Prince Edward Island where sales rose 38%. In the four western provinces the increases ranged from 4.2% in Manitoba and 4.5% in Alberta, to 8.2% in British Columbia and 8.5% in Saskatchewan. Gains of 3% and 4% were recorded in New Brunswick and Nova Scotia, respectively. The Ontario increase was only 2.7%.

Sales of New Ordinary Life Insurance

($ 000's omitted)

	1936	1935	1934
British Columbia	29,180	26,951	25,657
Alberta	15,656	14,970	15,808
Saskatchewan ..	14,301	13,163	13,442
Manitoba	20,330	19,558	21,094
Ontario	165,748	161,316	157,543
Quebec	103,555	106,063	117,703
New Brunswick .	9,357	9,096	10,109
Nova Scotia	14,157	13,595	13,696
Prince Edward Is.	1,705	1,245	1,404
Newfoundland ..	2,896	3,427	3,258
	376,885	369,384	379,714

December Sales

Analysis of December sales shows an encouraging increase in Quebec and Prince Edward Island with smaller increases in B. C., and Manitoba. The total for the month was $36.9 millions which though lower than the November total showed a small gain over the corresponding total for Dec., 1935.

ORDINARY LIFE SALES

(a) Sales by Months, 1933-1936

($ 000's omitted)

	1933	1934	1935	1936
Jan.	28,928	27,718	32,988	34,221
Feb.	28,095	29,036	28,716	30,240
March ...	31,768	32,564	31,416	31,664
April	30,501	33,296	28,900	30,147
May	31,916	33,134	27,423	28,977
June	34,114	32,277	32,112	32,277
July	32,165	33,951	32,155	32,573
Aug.	29,749	26,650	26,854	25,011
Sept.	27,443	26,123	26,696	28,966
Oct.	33,435	31,342	30,416	30,092
Nov.	36,061	35,863	35,158	37,813
Dec.	36,967	27,691	36,550	36,904

(b) Sales by Areas

($ 000's omitted)

	Dec., 1936	Dec., 1935	Nov., 1934
B. C.	3,217	3,055	2,835
Alta.	1,631	1,770	1,750
Sask.	1,474	1,476	1,704
Man.	1,888	1,749	2,059
Ont.	15,319	15,487	16,159
Que.	10,549	9,836	10,464
N. B.	787	1,046	979
N. S.	1,497	1,549	1,434
P. E. I.	275	166	150
Nfld.	267	416	279
	36,904	36,550	37,813

THE
DOMINION LIFE
ASSURANCE COMPANY
Head Office: Waterloo, Ontario

Business in Force Increased over $8,500,000

Highlights of the 48th Annual Statement

DURING 1936

ASSETS
Increased by - - - $2,660,075
(and now total $33,758,945)

POLICY AND ANNUITY RESERVES
Increased by - - - $1,989,710
(and now total $27,640,537)

INSURANCE IN FORCE
Increased by - - - $8,740,784
(and now stands at $164,019,813)

INSURANCE ISSUED AND REVIVED
$23,496,796

PAYMENTS TO POLICYHOLDERS AND BENEFICIARIES TOTALLED
$2,960,511

EXCESS OF RECEIPTS OVER DISBURSEMENTS
$3,134,192

TOTAL INCOME WAS
$7,772,710

A MESSAGE FROM THE PRESIDENT

I feel that the Company's progress during 1936 as outlined in the annual report is a definite indication of the generally improved business conditions. The addition of over $8,500,000 of insurance in force justifies, I think, an optimistic outlook for 1937.

I am sure that the following diversification of the Company's assets will receive the commendation of policyholders and the public generally.

Mortgages and Sale Agreements	38.79%
Bonds (30.80% of Bonds are Dominion and Provincial)	32.36%
Stocks (Preferred 2.12%; Common 1.39%)	3.51%
Real Estate, including Head Office	4.77%
Loans to Policyholders	14.38%
Interest due and accrued	2.70%
Premiums Receivable	2.29%
Cash and other assets	1.20%
	100.00%

The assets of the Company, $33,758,945, with the exception of $430,136, belong to the policyholders. This $430,136 (which is but 1.3% of the assets) represents the shareholders' capital and surplus account which is an added security to policyholders, and is available to them if required.

The items, "Policy, and Annuity Reserves", $27,640,537, is the amount required along with future premiums, to pay all of our 60,000 policies when they become due, either through death or maturity of the contracts.

I think the policyholders can view with pride, as do the Directors, the enviable position which the Company continues to hold, and the excellent progress made during the past year.

Ford S Kumpf
President and Managing Director

TWENTY YEARS OF PROGRESS

	1916	1926	1936
Insurance in force, December 31st	$19,307,176	$93,879,207	$164,019,813
Premium Income	618,080	3,157,312	5,028,123
Total Income	867,085	4,044,687	7,772,710
Payments to Policyholders	307,205	1,060,971	2,960,511
Assets as at December 31st	4,253,514	15,838,610	33,758,945
Insurance and Annuity Reserves as at December 31st	3,175,716	11,785,894	27,640,537

FORD S. KUMPF, Waterloo, President
EDWARD F. SEAGRAM, Waterloo, Vice-President GEO. A. DOBBIE, Galt, Vice-President

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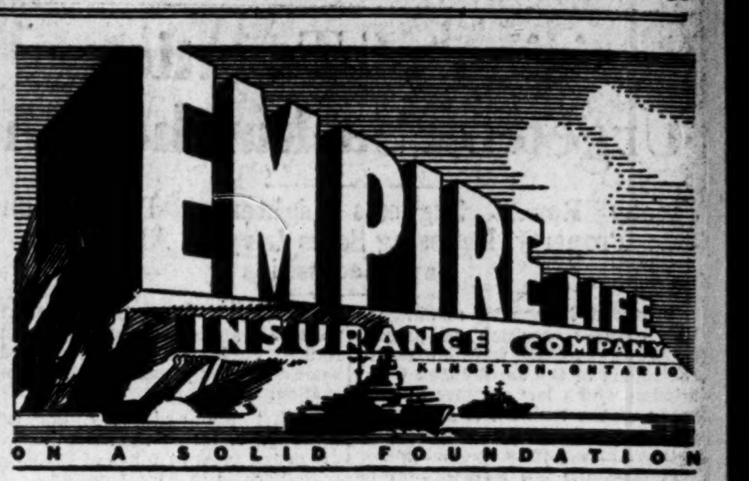
PORTAGE LA PRAIRIE MAN.



Does your Fire Insurance PAY DIVIDENDS?

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Hamilton
Ottawa
Montreal
Quebec City
St. John
Halifax
Winnipeg
Saskatoon
Calgary
Edmonton
Kelowna
Victoria
Vancouver

Under the Northwestern Mutual plan, the annual surplus or profit is paid back to policyholders in the form of dividends. These amounted last year to $1,098,428. Ask our nearest office for particulars.

NORTHWESTERN MUTUAL FIRE ASSOCIATION

We wish to announce that

MR. GEORGE E. MERRY

formerly assistant General Manager of the Grain Insurance and Guarantee Company, Winnipeg, has been appointed General Manager of Commercial Insurance Agency Limited with Headquarters at Montreal.

COMMERCIAL INSURANCE AGENCY LIMITED
Board of Trade Building - - Montreal

GUARANTEED BY EAGLE, STAR AND BRITISH DOMINIONS INSURANCE CO. LIMITED, OF LONDON, ENGLAND

FIRE, CASUALTY
INLAND
TRANSPORTATION

BRITISH NORTHWESTERN FIRE INSURANCE COMPANY

HEAD OFFICE FOR CANADA: 217 BAY ST., TORONTO

J. H. RIDDEL, *Manager* V. G. CREBER, *Asst. Manager* S. FAIRLEY, *Secretary*

TORONTO AGENTS:
Armour, Bell, Boswell & Cronyn Limited,
24 King Street West, Toronto

THE GREAT-WEST LIFE

RENDERS ITS ANNUAL ACCOUNTING of services to its policyholders and beneficiaries;

RECORDS, with sympathy to their families, the deaths of over 1,300 of its policyholders during 1936;

WAS PRIVILEGED to pay $3,750,000, in death benefits, and over $11,000,000 to living policyholders;

HAS PAID, since it was founded, almost $183,000,000 to policyholders and beneficiaries;

APPRECIATES the continued confidence of the insuring public, as shown by new business of nearly $50,000,000;

DRAWS ATTENTION to the total business in force of over $575,000,000—a substantial gain during the year;

KEEPS WELL IN MIND that it holds in stewardship, for the benefit of policyholders and others, assets of over $150,000,000;

AND FINALLY reports an increase in surplus, after providing liberal participation returns to policyholders, and after conservatively valuing assets and liabilities.

Important Items for 1936

Business in Force (including annuities)	$575,844,591
New Business Placed (including annuities)	49,706,207
Total Income	27,301,331
Payments to Policyholders and Beneficiaries	15,147,510
Assets	150,005,674
Liabilities (chiefly to Policyholders)	143,566,739
Surplus, Contingency Reserve and Capital	6,438,935

For complete particulars, write for a copy of the full Annual Report.

THE GREAT-WEST LIFE ASSURANCE COMPANY
HEAD OFFICE · WINNIPEG, CANADA

Revision of Taxation Urged on Saskatchewan

Jacoby Report Suggests Lightening Burden on Property, Imposing Sales Levy on All But Bare Necessities

Recommendations for administrative changes, revision of present taxes and increased taxation feature the report of the Jacoby Tax Commission which last summer made a study of the taxation and financial structure of the province of Saskatchewan and its municipalities.

Finding the tax structure to be both "inadequate" and "inequitable," the commission makes specific recommendations whereby the burden of taxation on property can be lightened and whereby the province can secure additional revenue for the purpose of providing for certain much-needed expenditures and for taking care of the current budget deficit.

Most important of the tax proposals is a recommendation that the province should impose a 2% sales tax on goods and services. It is estimated that this tax should yield $3 millions annually. In recommending the tax, the commission points out that in future revenues must be obtained to a larger extent from personal taxes rather than from land. It is suggested that only the bare necessities of life should be exempt from the tax since a great many exemptions will defeat the purpose of the tax.

The total increase in revenue from increased taxation is estimated at $5.2 millions. The additional revenue is to be secured from the following sources:

Sales tax	$3,000,000
Income tax	1,000,000
Additional corporation taxes	352,000
Tax on railway earnings	500,000
Additional gas tax revenue	400,000
Total	$5,252,000

Would Tax Lower Incomes

While opposing a wage tax, such as that pertaining in Manitoba, the commission recommends that the income tax should be applied to incomes in the lower brackets by reducing the exemption to $300 for a single person and $600 for married persons, with a further exemption of $200 for each dependent. It is further suggested that there should be a minimum filing fee of $3 and that trust, loan, banking, railroad, express and insurance companies be compelled by law to file income tax returns. At the present time certain corporations are exempt from making returns by order-in-council.

In recommending the reduction in exemptions it is pointed out that relatively few people in Saskatchewan receive large incomes, the bulk of the tax in the past coming from people in the lower income brackets. It states that no income tax in Saskatchewan can be productive unless exemptions are low and the tax affects the masses of the people in the lower income brackets.

Proposed Rates

The following scale of rates is proposed:

First $500 or any portion thereof	2%
Over $500 but not in excess of $1,000	3%
Over $1,000 but not in excess of $1,500	4%
Over $1,500 but not in excess of $2,500	5%
Over $2,500 but not in excess of $3,500	6%
Over $3,500 but not in excess of $4,500	7%
Over $4,500 but not in excess of $5,500	8%
Over $5,500 but not in excess of $6,500	9%
Over $6,500 but not in excess of $7,500	10%

Increase of 1% on each additional $1,000 of income

As regards the Succession Duties Act, the commission recommends that the exemption be reduced from $15,000 to $5,000 to preferred beneficiaries, with exemptions up to $15,000 allowed for widows or widowers with dependent children. Furthermore it is suggested that exemption of insurance benefits should be repealed. Steps should also be taken to stop the transfer of property in the form of a gift, the report states.

Corporation Taxes Unsound

In regard to corporation taxation the commission states that the present act does not represent a consistent or rational method of taxing corporations and should be repealed. Equity in taxes paid by various corporations cannot be even approximately realized when bases of taxation so different as authorized capital, number of branches operated, aggregate gross premiums received, are used in computing the tax. It is suggested that gross income or revenues would prove a more acceptable base.

At the present time mercantile and manufacturing companies pay a tax only with respect to their authorized capital. The commission feels that this tax, which totalled only $79,754 during the calendar year 1935, covering 1,999 companies, or an average of less than $40 a company, represents a totally inadequate contribution by these companies. It is suggested that capital invested in Saskatchewan would be a better basis.

Proposed Tax Changes

Specific recommendations for taxation of corporations are as follows:

1. That a tax be imposed upon all financial companies, including banks, insurance, finance, trust, loan, land, mortgage, commission and all other companies engaged in the investment or financial operations at a uniform rate of 3% of gross earnings or gross income derived in Saskatchewan.

2. That a tax be imposed on all corporations other than financial at the rate of one-half of 1% of the aggregate investment of such corporations in Saskatchewan.

3. That every corporation be required to file a return annually under the act and to pay a minimum fee of $10 at the time of filing such return, such fee to be applied against any tax payable by the corporation.

4. That the railway tax be amended to fix by statute a tax of 3% of the gross earnings of the railways derived in Saskatchewan.

5. That the railway taxation act be repealed and that by law the property of railways, not specifically exempted by charter, be assessed for taxation by provincial authorities and taxes at a rate equal to the total average mill rate for municipal and school purposes levied against property by the local taxing authorities throughout the province.

Taxes From Railways Low

The commission finds that although Saskatchewan has the second highest railway mileage in Canada, it collects by far the lowest tax, excluding the Maritimes. Total taxes paid by railways to the province in 1934 was $430,954. The commission is of the opinion that the railways should be paying between $900,000 and $1 million annually. This, it states, would be in proper relation to taxation of other property in Saskatchewan.

Better administration of the gasoline tax, it is felt, would result in this tax being made much more productive. Proper enforcement of the tax should, the commission thinks, increase collections by at least 20%, or approximately $400,000 per annum.

While automobile license fees are found to be adequate, the commission suggests that the fee for trucks should be increased in more rapid progression.

It is recommended that the public revenue tax should be abolished, or, as an alternative, if retained, definitely earmarked as an educational tax.

Among administrative changes proposed are the co-operation of the various inspection staffs of the Government under one department; the appointment of a provincial purchasing agent, this official to act for all departments except the King's printer; transfer of the administration of all tax laws, fees and licenses, where revenue is the prime consideration, to a board of revenue commissioners.

Municipal Situation

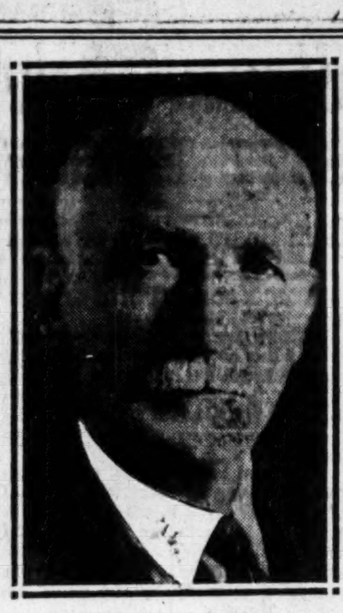
The key to the solution of municipal difficulties, the commission states, lies not in securing more revenue from the province, but in the withdrawal of the province from the field of real property taxation and a more equitable apportionment of the remaining levies among property owners within the municipalities. It is for this reason that repeal of the public revenue tax is proposed. Further, it is suggested that as the financial position of the province permits, it should assume the cost of hospitalization, health and such relief charges as may properly be its responsibility. Various amendments to the assessment act are proposed which will aid the municipalities in increasing their revenue.

The report has been received in Saskatchewan with mixed feelings. For the most part, additional taxation is opposed. It is understood, however, that the Government may attempt to implement the recommendation for a sales tax and additional taxation on industry, but it is not considered likely that it will consider the income tax recommendations.

North British Appoints New English Officials

Sir Arthur Worley, has resigned as managing director of the North British & Mercantile Insurance Co. and its associated companies, Railway Passengers Assurance Co., Ocean Marine Insurance Co. and the Fine Art & General Insurance Co. He will retain his position as deputy chairman of the North British & Mercantile and the chairmanship of each of the associated companies.

New appointments to the North British & Mercantile Insurance Co. are: Hon. R. H. Brand, C.M.G., joint deputy chairman; H. S. Milligan, formerly manager, to be general manager; Thomas Frazer to be deputy general manager as well as secretary; and A. E. Ridoutt, formerly assistant secretary to be joint secretary.



POWER DIRECTOR

Hon. D. O. L'Esperance, president and director of several Quebec corporations, who has been elected to the board of Shawinigan Water and Power Co.

Work Starts Lion's Gate

Dominion and Hamilton Bridge Will Handle Vancouver Contract

From Our Own Correspondent

MONTREAL.—Confirmation that Dominion Bridge Co. and Hamilton Bridge Co. would split the steel contract for the big Lion's Gate Bridge across Vancouver harbor, as predicted in The Financial Post early this month, is now forthcoming. Contract has been awarded by the First Narrows Bridge Co.

The bridge will require 10,000 tons of steel which, with the labor entailed, will cost in the neighborhood of $2.4 millions.

To Cost $6 Millions

The order for the steel is the last of the main contracts, according to A. J. T. Taylor, president and engineer chief of the company which is building the bridge under a 50-year franchise as a private toll undertaking. Capital is being almost entirely provided by United Kingdom interests. Total cost including substructure, steel and approaches is estimated at around $6 millions.

According to Mr. Taylor the bridge is to be 209 feet above high water in the centre and will be the largest suspension bridge in the British Empire. It will have a capacity of 10,000 cars an hour. The bridge with approaches is over one mile long and the central span is 1,500 feet clear.

Substructure Started

Contracts for the substructure and road work were given out some months ago to Stuart, Cameron & Company, and the Atlas Construction Company.

Fabrication of the steel required will be started in a few weeks, according to Vancouver officials of Dominion Bridge Company and Western Bridge Company, coast subsidiary of Hamilton Bridge, headed by Col. Victor Spencer.

First major work will be construction of the two main caissons for the channel piers, according to W. F. Way, superintendent in charge of the substructure. Piers and anchorages on both sides of the channel will be built before the cable and steel work can be started. Cables 16 in. in diameter will bear the weight of the structure.

Part of Big Programme

Building of the bridge is an essential part of the programme carried out during the past six years by the British syndicate in developing a residential district near Hollyburn Ridge on the north side of Burrard Inlet. An extensive road-building and boulevard programme has been carried out and a golf course laid out.

At the end of 50 years the city may take over the bridge at its structural value within six months.

Travellers

Sir Edward Beatty, president of the Canadian Pacific Railway is expected to visit Saint John, N.B., Feb. 18.

Major Gladstone Murray, general manager of the Canadian Broadcasting Corp., reached Victoria recently in his coast-to-coast tour of Canada to find himself bombarded by demands for a new radio deal from the island population. He is investigating the situation in the chief centres of Canada.

"Worthless" Certificates Have Some Value Now

A few years ago, when the bottom seemed to have fallen out of the mining market, a Toronto broker in lieu of Christmas cards sent to each of 50 friends a 100-share certificate of stock he purchased at ⅛ of a cent a share. He added the notation "I hope the future may become so prosperous that even these will bring you dividends." Today each 100-share is worth $82.

There was a case several years ago of shares of a western American cement firm which were regarded as worthless in the probate of an estate. Two of the heirs received the certificates and then started a hunt for the company.

It was not be be found in that encompassing record of dead investments, the Marvyn Scudder Manual of Extinct or Obsolete Companies. This was the first sign of life. Neither could any record of the company be found in statistical records, but this unfavorable indication did not halt the persistent heirs. After considerable correspondence, they located the company in the far western United States. An official wrote that he thought he might find a market for the shares privately. He did, at $40 a share, for a total value of over $4,000.

Keep Them Always

That all goes to show why one ought never to destroy a stock certificate. If it ever comes to life again you'll want the certificate to cash in on. If it does not it will be a stern reminder of how easy it is to pay too much for a whistle.

The annual spring house-cleaning time may be months away, but dust is flying these winter days from corners of desks, cubby-holes and long forgotten hiding places. The reason—"thar may be gold thar" in the form of stock certificates once thought worthless, but now valuable. Many and weird are the stories that follow this sudden rush for forgotten securities.

Were But Wallpaper Once

In Montreal, it is told of a financier who, some years ago as a grand gesture bought himself 100 shares of every mining stock he could find selling under 10 cents a share. The certificates he used to paper the inside of a ski chalet in the Laurentians.

A few weeks ago, gazing around the walls of his chalet, he noticed a certificate for shares which were being actively traded.

Today, there is a gap in the wallpaper of this chalet. But the rest of wallpaper has been paid for.

In a large downtown safety deposit vault in Toronto a man was seen feverishly thumbing over the papers in his box. He went over them, through them over and over again and could not find what he wanted. He seemed to be getting almost panicky.

The attendant noticed what was going on. "Have you lost something?" he asked sympathetically. The man admitted he had. He had looked in the paper and glanced at the unlisted mining "quotes" to make sure a stock, of which he had owned a few thousand shares for many years, had come to life and was selling at a few cents a share. Now he was trying to find the certificate.

"You'll probably find it at home somewhere," the attendant said, trying to make him feel better. "Every day someone comes in now to try to find a stock certificate they had forgotten about and that is now worth something."

"Rags to Riches"

A young Toronto lawyer was almost hopelessly in debt a short while ago. He's beaming now and says he is worth $150,000 — on paper. A mining issue came to life and did it for him.

Another young man paid $1.60 for stock certificates good for 5,000 shares in one of the northern mines. Not $1.60 a share, $1.60 for the whole 5,000. The people he bought it from thought it was worthless. Maybe it was. Nevertheless he sold it not long ago and bought a new car.

A story is told of the man who bought 1,000 shares of Asbestos common at 10 cents. The stock was bought in 1933. Last year he sold at $39 and a few days later he was kicking himself. He bought the stock back at $83 a share. Of course, it is worth over $100 a share now; in fact it's been as high as $120. A lot of other people could tell a similar story about Price Brothers preferred.

Shipping Record

Saint John, N.B.—Harbor Manager Alex Bray, of the Port of Saint John, reports the season of 1936 the busiest since 1929. The month of December broke all records for winter traffic. Cargo tonnage in the port in 1936 totalled 1,724,361 compared with 1,428,715 in 1935. December tonnage was 275,028 or more than 50% higher than in 1935.

Poor Planning Say Exporters Of Sales Plan

Rules of Good Advertising Violated in "Canada Calling" Drive

NO SUPPLIES READY

While Canadian exporters of food products to Great Britain generally maintain that advertising can do no harm, at the same time it is admitted frankly in several quarters that the Government launched "Canada Calling" campaign in Great Britain might, with preliminary planning, have been productive of a great deal more good.

Products that are not exported in any volume were featured as prominently as those that were and large areas of the country were blanketed where Canadian goods are not available.

A federal official from Ottawa pointed out to The Financial Post that butter advertising was as prominently displayed as that for bacon, yet average annual Canadian butter exports in the last 10 years would not keep the United Kingdom supplied for more than a single day.

Supplies Lacking

Again, it was stated, Canadian bacon, apples and canned goods are shipped in fair volume to certain large cities in Great Britain but the campaign did not seek to capitalize the areas where these products and brands have already penetrated. In many instances apparently, in these areas covered by Canadian exporters, there was nothing like sufficient volume of goods to handle a suddenly increased demand while elsewhere there was practically nothing at all. In this respect, it is stated, the campaign neglected one of the first and most important rules of successful advertising.

The Post was informed of a complaint from an English housewife who went into 11 different stores before she located a single Canadian product, and then not of the type which she was seeking.

No Co-ordination

The main fault of the campaign to date, it is claimed, lies in the lack of co-ordination. Apparently the programme is being carried out entirely by the Department of External Affairs under Hon. Vincent Massey. Funds and direction have come through Canada's London office.

In the early stages, at least, there seems to have been no contact with the other two interested departments of the Government, agriculture and trade, nor with active exporters.

As a result no steps were taken to assure abundant and widely distributed supplies previous to the launching of the campaign. Promoters of it, in fact, did not seem to know exactly what kind of goods Canada exported much less the quantities available.

The Montreal Catholic School Commission

$4,550,000.00 Sinking Fund Bonds (Non-callable)

Renewal of an issue of same amount, dated February 15th, 1932, five years (5)

PUBLIC NOTICE is hereby given that sealed tenders, addressed to Mr. Victor Doré, General Chairman of the Montreal Catholic School Commission, at his office in Montreal, No. 117 West St. Catherine Street, will be received until two-thirty in the afternoon (2.30 P.M.), Monday, February 8, 1937, for the purchase of FOUR MILLION, FIVE HUNDRED AND FIFTY THOUSAND DOLLARS ($4,550,000.00) of bonds of the Montreal Catholic School Commission, bearing interest at the rate of three and one half per cent, per annum, to wit:

1o. $2,000,000.00 dated February 15th, 1937 — 7 years, maturing February 15th, 1944;
2o. $1,000,000.00 dated February 15th, 1937 — 10 years, maturing February 15th, 1947;
3o. $1,550,000.00 dated February 15th, 1937 — 12 years, maturing February 15th, 1949.

This loan, authorized by the Statutes of Quebec 20 George V, Chapter 58, 21 George V, Chapter 62, and 22 George V, Chapter 60, will serve to redeem an issue of bonds of a same amount dated February 15th, 1932, maturing February 15th, 1937.

These bonds shall be issued in denominations of FIVE HUNDRED DOLLARS ($500.00) and ONE THOUSAND DOLLARS ($1,000.00) each. The interest shall be payable semi-yearly the 15th day of February and the 15th day of August.

Both the principal and interest shall be payable in legal tender of the Dominion of Canada, at the principal office of La Banque Canadienne Nationale, in the City of Montreal or Quebec, or at the principal office of the Bank of Montreal, in the City of Toronto, at the holder's option.

Bilingual interim bonds, ready for delivery on February 15th, 1937, will be exchanged on or about March 5th, 1937, for bilingual coupon bonds in definitive form upon their surrender at the principal office of La Banque Canadienne Nationale, in Montreal.

The bonds, either interim or in definitive form shall be countersigned by the Director of Finance (Treasurer) of the City of Montreal, in accordance with the said Statutes and the Statute 54 Victoria, Chapter 53 and its amendments, governing loans of the said Commission.

The bonds in definitive form may be registered on request, as to principal only, at the office of the Montreal Catholic School Commission.

Each tender must be accompanied by an accepted cheque to the order of the Montreal Catholic School Commission, for an amount equal to one per cent (1%) of the amount of the loan. The cheque of the tenderer whose offer is accepted shall be returned to him after the completion of his contract.

The interest accrued on the bonds must be added to the price offered at the time of their delivery. The delivery of the interim bonds and the payment of same in legal tender of the Dominion of Canada shall take place at the principal office of La Banque Canadienne Nationale, in Montreal, on the 15th day of February, 1937.

The Commission reserves the right to reject any or all of the tenders or to accept, in whole or in part, any of the tenders.

The tenders will be opened at a public meeting of the Montreal Catholic School Commission, to be held at its offices, No. 117 West St. Catherine Street, Montreal, on Monday, the eighth day of February, 1937, at two-thirty in the afternoon (2.30 P.M.).

Further information or particulars may be obtained from the Treasurer of the Commission, Mr. Roméo Dolcourt.

The Secretary:
ROMEO DESJARDINS.

Montreal, January 20th, 1937.

The Story that Stirred a Nation

Early in January *Maclean's Magazine* published an article on the abdication of Edward VIII written by the magazine's London correspondent, Beverley Baxter, M.P.

The result was a sensation without precedent in the history of Canadian publishing.

Within two hours of the appearance of the issue many newsdealers in the principal cities across the Dominion had exhausted their supply. Within two days it was impossible to buy a copy of the January fifteenth *Maclean's* at first sale anywhere in Canada. Premiums ranging as high as a dollar a copy were offered by would-be purchasers.

From Atlantic to Pacific, the result was the same—a response instant and overwhelming.

So overwhelming that the presses of two sister publications were at once put in motion to meet the demand. Nearly 600,000 copies of the three publications were printed and sold.

Why did this happen?

Millions of words about the abdication had been published. Many believed there was nothing more to be said. And yet among all the periodicals, native and foreign, serving Canada, it remained for one to record the story in words which evoked this unparalleled reader demand.

Again, why did this happen?

We suggest the following reasons:

Mr. Baxter interpreted a great story in words which possessed the power to move both the minds and the hearts of his readers.

The story appeared in *a magazine which over long years of courageous and intelligent editing has earned the confidence of an audience so large, so widespread and so influential that it commands the ear of the nation.*

Whether one agrees or disagrees with Mr. Baxter's interpretation, its reception evidences this one inescapable fact: *Maclean's* is more than a magazine—it is at once a dynamic national force and a way to the heart and mind of Canada.

Which is why we suggest that if you have an advertising story to tell Canadians, you should tell it in—

Maclean's
Canada's National Magazine

Dominion Sq. Bldg.
Montreal, P.Q.

481 University Avenue
Toronto, Ontario

New York, Chicago
London, Eng.

WILLIAMS, McLEAN & BELL
MEMBERS TORONTO STOCK EXCHANGE
DIRECT PRIVATE WIRES TO
TORONTO · MONTREAL · NEW YORK

HEAD OFFICE
TORONTO
25 RICHMOND ST., W.
ADELAIDE - 4902

BRANCHES
66 YONGE ST.
ADELAIDE - 6061
297 BAY ST.
ELGIN - 8124

BRANCHES
HAMILTON • IMPERIAL BLDG. • MAIN and HUGHSON STS. • BAKER 1126-7-8
SUDBURY • 8 CEDAR STREET • TELEPHONE 1380
CORRESPONDENTS
STRATFORD • ROCHESTER • ST. CATHARINES • WELLAND • BURLINGTON

To The Travelling Public:

HOTEL LONDON

London, Ontario

As from January 15th the rates for rooms will be as follows:
Single room without bath, $2.50; running water and toilet.
Single room with shower, $2.75.
Single room with bath, $3.00.
Single room with tub and shower combination, $3.50.
Double room without bath, $4.00; running water and toilet.
Double room with bath, $4.50.
Double room with tub and shower combination, $5.00.
Twin bedrooms with tub and shower combination, $5.50.

Soliciting your appreciated patronage,
H. F. STRUCKETT,
Manager.

Exclusive quality—
"EXPORT"
CIGARETTES
—popular price.

Rail, Road and River

A Fair Break for C. P. R.

Prof. Swanson Blames Errors in Policy of National System for Difficulties of Private Road

By PROF. W. W. SWANSON

Westerner Looks At Transportation

Prof. W. W. Swanson, author of this study of the Canadian Pacific, is head of the department of economics at University of Saskatchewan, Saskatoon.

An earnest student and a clear-sighted observer he writes with authority on Canada's transportation problems.

The article herewith is based upon some of the chapters in Prof. Swanson's forthcoming book "Rail Road and River" to be published shortly by Macmillan's. There will be three other articles in this series.

Despite the fashion of the day, it is impossible to accept the theory that the Canadian Pacific Railway company was a project of predatory capitalists seeking to loot an empire. To the men of its day its construction was an almost hopeless undertaking, a last throw of the dice, an attempt to work the miracle which was to save this country from absorption into the great republic to the south.

It is the fashion now to point to the surrender to the syndicate of ownership of all portions of the line completed or under construction by the Government; to the cash subsidy of $25 millions, and to the land grant of 25 million acres. Those who do this might remember that the sober business opinion of the day believed that $25 millions was all too little to aid private capitalists in financing the completion of a system which might never pay, and which the Government had for six years been hopelessly struggling to build; and that 25 million acres of land was never more fairly earned.

What no one seems to realize today is that the syndicate kept its promises and fulfilled its contracts. The Canadian Pacific made Confederation a fact.

Rates Controlled

The Canadian Pacific differs considerably from most of the great corporations which the critics of the capitalist system find so offensive by reason of a fact which its critics seldom mention.

The charges which it may make for the service which it has to sell are not established by international cartel, nor by the greed of monopoly. They are set subject to the review of a judicial body whose integrity has never been attacked—the Board of Railway Commissioners. In establishing them the Board has been guided solely by the policy of ensuring equality of treatment to all users of the system, plus a reasonable return to capital honestly employed.

The best possible test of the correctness of their judgment is that railway rates in Canada are among the lowest in the world.

When a little thought is given to the very low density of population, and therefore of traffic, in Canada, it is indeed remarkable that this country provides transportation so cheaply for its citizens. Were this the result of the fact that the country has engaged in a great programme of state ownership of railways, it might be said that the comparison was not necessarily a sound one.

Actually the freight rate structure of this country has admittedly been built up on a basis which has been intended, however unsuccessfully, to permit fair treatment to the owners of the great privately owned railway system, and the comparison indicates high efficiency of railway operation in Canada as well as wisdom in governmental control of rates.

No Excessive Profits

Nor yet is it possible to maintain the theory that the Canadian Pacific has been successful in earning excessive profits.

The conservative policy of the company in making capital issues is a matter of record. Considerable amounts of profits have been ploughed back into the property, and a crude comparison between net earnings and capital issues would be misleading, and tend to exaggerate the economic profit obtained by the company.

Whether we use capital issues, cost of replacement of an equivalently useful property, or actual money invested in the property as a measure of its value, the return to the owners from the company's railway enterprise has never been excessive.

Aid From Public Purse

There is much misunderstanding concerning the aid received by the company from the public purse. Some obviously prejudiced students of the situation argue that the company should be charged with all the moneys received from the sale of lands originally granted by the state. On this analogy any man who buys a house for $5,000 and sells it for $10,000 would owe the seller the added $5,000. That is simply absurd.

The Canadian Pacific syndicate undertook a contract, one of the terms being that the syndicate should receive 25 million acres of land. The value of that land at the time the contract was made is the measure of the public assistance to the syndicate by land grants. Since a considerable area of land was later sold by the company to the Dominion Government at $1.50 per acre, this price, which is far above the price when the original contract was made, is an absurd maximum valuation of the contribution to the company represented by each acre of the land grant.

Not only in the case of the land grant is there a misunderstanding of the aid received by the company from the state. A great deal has been said of the Crow's Nest Pass Agreement.

The Canadian Pacific has long ago lost far more by the Crow's Nest Pass Agreement than the subsidy granted under it. This point of view is well worth remembering when Government aid to the company is under discussion.

For Value Received

Has the Canadian Pacific given the country full value for the aid given it by the country? The record shows that it has, and attempts to exaggerate the amount of this aid are unwise.

The Canadian Pacific has made its mistakes. In its early days the company sometimes dealt harshly with individuals and communities. Its officers fought the intrusion of competitors by arguments which were based too much on the theory that the Canadian Pacific had a right to a monopoly, and too little on an explanation of the folly of overbuilding railways. It may have made other grave errors during its long history.

Against all this must be set the fact that the company has a clean record in avoiding the overcapitalization and the watering of stock which have too often been employed in corporate finance on this continent; that it has at all times taken the logical and proper stand that the interests of a transportation system serving the whole country cannot be separated from those of the country at large; in the words of the present president, "What is good for Canada is good for the Canadian Pacific;" and that a large proportion of the moneys received by it from the sales of its lands has been ploughed back in the form of great expenditures to settle and develop western Canada.

Outside Ventures

The rail lines of the company are but a part of its services. It has built up a lake, coastal and ocean fleet, which places it high in the ranks of shipping companies; it has provided the country with a chain of hotels which could not possibly have been constructed by any private interest except a transportation company; it has advertised Canada throughout the world. In short, the company has served the country well.

Its present position is not satisfactory. It cannot be desirable for the greatest private corporation in the country to be unable to pay dividends to its shareholders. Such a condition is undesirable from the standpoint of the public interest. It would be undesirable did it result from the errors of the company's management. It becomes a grave national problem when the company's inability to earn a reasonable return on legitimate investments made in it results from errors in public policy.

It is not the intention to argue that the Canadian Pacific Railway at any time should have been given a complete monopoly of railway transportation in Canada. Despite the fact that its competitors sometimes used appea's to prejudice, and political trickery, to establish themselves, it still remains a fact that the Mackenzie and Mann branch lines in Western Canada were needed for the development of the country. Nor can it be denied that the company of these competitors stimulated the Canadian Pacific in improvement of service and in reduction of rates.

Extravagance of Competition

Unfortunately this competition, once commenced, ended in the extravagances of the National Transcontinental-Grand Trunk Pacific, plant, and in the unwise eastern extension of the Canadian Northern System. There can be no doubt that the encouragement given by governments to these uneconomic projects was at least partly based on a belief that competition for the Canadian Pacific would be popular with the public.

The consequence of this type of policy is written in the records of the Canadian National Railways today. There is no reason to set the Canadian Pacific on a pedestal, or to suggest that protection for its interests should be part of the public policy of this country, beyond that reasonable protection for all legitimate undertakings which is the duty of all governments.

It is, on the other hand, vital that the people of this country should remember that, whatever were the dangers of a private railway monopoly a generation ago, they do not exist today. The Canadian Pacific as it has been administered in recent years has shown entire willingness to subject itself to the reasonable regulation which governments are entitled to apply to all public utilities. Its policies appear to have been directed by a complete appreciation of the unit of its interests with those of the nation.

Deserves Fair Chance

If these things be true, then the time is long past for appeals to prejudice against this great company. It deserves no more than a fair chance to carry on a legitimate business in accordance with the laws of the country.

The Canadian Pacific Railway has an honorable record of public service. It deserves justice such as would be accorded to any other institution carrying on business in accordance with the law of the land. Personal like or dislike for it is an incredible folly, and should have no effect on the public policies of the nation.

NEW COMMISSIONER

Sir Wilfred Wentworth Woods, whose appointment as Commissioner for Public Utilities for Newfoundland was recently announced. He will succeed Hon. Thomas Lodge, whose term expires next month.

Sir Wilfred has been in the British Colonial Service for 32 years, being in charge of the finances of Ceylon from 1922 to 1934.

Denies Raid On Alberta's Injury Fund

But Millions of Compensation Board Money in Gov't Securities

From Our Own Correspondent

EDMONTON—Denial has been given by Premier Aberhart to a report the Government "raided" the trust funds of the Alberta Workmen's Compensation Board. The report was linked with the news of stiff increases in 1937 compensation assessments.

Workmen's medical aid fees have been raised from seven to 10 cents a day, and payroll assessments have been increased from $4.75 to $6.00 per $100.

Feels Interest Cut

While Dr. Victor Wright, chairman of the board, emphasized the increase in number of accidents in 1936 as the reason for increasing assessments, a statement from Mr. Aberhart confirms the fact that nearly $2,500,000 of the board's funds are invested in Alberta Government securities and are affected by the Government's reduction in bond interest payments. Loss to the board through the interest reduction is estimated at $15,000 a year.

The number of accidents in 1936 exceeded by 1,322 the number in 1935.

Threats of a strike have been heard in labor circles in the Drumheller Valley coal field since the levies were raised.

Coal Operators' Charge

The charge the government borrowed the board's funds was contained in a resolution passed Jan. 7 at Calgary at a meeting of coal operators.

According to Premier Aberhart, the Government has not considered making up the loss suffered by the board through the interest reduction.

Windsor Plans To Stage Home Improvement Show

Directors of the Windsor Chamber of Commerce have decided to sponsor a home modernization exhibition early in March. The object will be to make citizens more conscious of the Home Improvement Plan, under which loans may be had for modernization of residential property. The show will include exhibitions of many types of building products.

British Film Failure Is Blamed on Caution

"The Middle Watch," "Sunshine Susie," "Rome Express," and a number of other British made motion pictures are admittedly artistic triumphs.

And financial failures.

The reason, in the opinion of Ray Lewis, editor of the Canadian Moving Picture Digest, is that Britons, unlike Americans, are not gamblers. The Englishman dislikes poor investments and sticks chiefly to gilt-edged securities. In the United States investors in motion picture companies take their chances on a large loss or a quick and substantial profit in the form of one or two highly successful pictures, gambling on the chance that a picture will be lucky enough to earn huge profits in a sudden sweeping wave of popularity.

Not so the Briton who has plunged heavily in motion picture investments and through the inability of the industry to earn a satisfactory return on the investment, has "soured" on the films as an investment channel.

Informed authorities familiar with the situation in England say that some English-made films are superior to their American prototypes, in the talent of the actors, the high quality of technical direction, photography and in the sophisticated smoothness of the productions.

But they do not pay and it was only recently that the huge Gaumont-British Picture Corp., capitalized at nearly $100 millions passed its dividend for the first time. Worse, the chairman of the company told shareholders that if the company abandoned making motion pictures it would actually improve the dividend situation and outlook.

New Vision Needed

Beverley Baxter, writing in Maclean's Magazine, confesses to a "fierce resentment" at the fact that there is a complete failure in England to recognize its own wealth in the motion picture industry. Also, he adds, the tragedy of British film producers is that they are "so often making the films of two years ago," although Mr. Baxter believes that some of the recent British films have not lived up to the promise of five years ago. He sees an urgent need of a new vision, new leaders, new faith and a new arrogance

Ray Lewis believes one basic reason for the financial disappointments in connection with British films is the fact that when British financiers decided to invest millions of pounds in the industry they made the mistake of linking themselves with idealists quite incapable of coping with the strongly entrenched American industry's competition throughout the world.

High Costs are Factor

The British film quota, designed to give employment and to finance British film production and to "lure investors" with a percentage of guaranteed returns, is another factor which has operated against the success of the industry in England, it is believed. Millions of pounds were poured into the industry and lost in much the same way that money was lost in the early days of the American industry. High overhead costs of a few pictures, despite the most honest and painstaking efforts of producers, also tend toward elimination of profits, it is held.

The failure of recent negotiations by American interests to acquire a leading place in the British film industry revealed a strong opposition to foreign control of an industry whose products have a wide influence on molding public opinion. But in the opinion of some observers the present expensive methods of British film production and lack of adequate returns on the investment are likely to continue until more efficient and more speculative enterprise of the American movie moguls is injected into the British motion picture situation.

THE
MANUFACTURERS LIFE
INSURANCE COMPANY

HEAD OFFICE • TORONTO, CANADA

Established 1887.

FINANCIAL STATEMENT FOR THE YEAR ENDING
31st DECEMBER, 1936

ASSETS

BONDS		
Government and Government Guaranteed Securities	$40,341,763.62	
Municipal and Other Public Body Securities	21,245,598.86	
Public Utility Bonds	10,828,844.43	
Other Corporation Bonds	6,737,126.75	
		$79,153,333.66
PREFERRED AND COMMON STOCKS		
Preferred Stocks	1,444,582.34	
Common Stocks	4,545,582.72	
		5,990,165.06
FIRST MORTGAGES ON REAL ESTATE		
Urban Properties	19,532,662.73	
Farm Properties	6,729,655.59	
		26,262,318.32
LOANS ON THE COMPANY'S POLICIES		
Loans made to policyholders on the security of their policies in accordance with the provisions of the Company's policy contracts		19,293,635.64
HEAD OFFICE PROPERTY, OTHER REAL ESTATE AND SALE AGREEMENTS		
Head Office Property	950,000.00	
Other Real Estate	4,218,801.39	
Sale Agreements	963,877.25	
		6,132,678.64
CASH ON HAND AND IN BANKS		1,541,589.14
TOTAL LEDGER ASSETS		$138,373,770.46
OTHER ASSETS		
Interest due and outstanding	119,445.54	
Interest accrued but not due	1,934,494.15	
Deferred and outstanding premiums	3,251,376.02	
Due from other companies on policies reinsured	6,432.45	
		5,311,748.16
		$143,685,518.62

LIABILITIES

POLICY AND ANNUITY RESERVES	
The actuarial liabilities of the Company in respect to its policy and annuity contracts	$121,407,993.00
DEATH AND DISABILITY CLAIMS AWAITING PROOF	
Claims of which the Company has received notification but for which the necessary documents are not yet complete	1,099,641.10
PROVISION FOR UNREPORTED DEATH AND DISABILITY CLAIMS	
A reserve fund for death and disability claims which may have occurred during the current year but notification of which has not been received by the Company	225,000.00
FUNDS ON DEPOSIT	
Policy proceeds and dividends left on deposit with the Company by policyholders and beneficiaries and accrued interest thereon	4,340,939.26
OTHER LIABILITIES TO POLICYHOLDERS	
Premiums paid in advance and miscellaneous credits to policyholders' accounts	2,490,148.37
STAFF PENSION FUNDS	
The accrued liability of the Company in respect to the pension funds to which the Company and its employees jointly contribute	1,039,447.14
GOVERNMENT TAXES ACCRUED	
Provision for Federal, Provincial and State taxes payable in 1937	350,000.00
SUNDRY LIABILITIES	
Accrued rents, salaries, commissions, agency balances, etc.	324,931.12
SHAREHOLDERS' FUND	
Fully-paid capital stock of $1,500,000 plus balance standing to the credit of the shareholders' account	2,453,245.48
RESERVE FOR DIVIDENDS TO POLICYHOLDERS	
Policyholders' dividends to be paid during 1937 and provision for accrued dividends under quinquennial and other deferred dividend policies	4,575,000.00
CONTINGENCY RESERVE	2,000,000.00
SURPLUS	3,329,173.15
	$143,685,518.62

J. H. Lithgow,
General Manager.

AUDITORS' REPORT TO THE SHAREHOLDERS AND POLICYHOLDERS

We have audited the accounts of the Company for the year ending 31st December, 1936. We have verified the Cash and Bank Balances and the Securities (valued within the requirements of the Dominion Government) and have accepted the report of the Company's Actuary with respect to the policy reserves and liabilities to policyholders, subject to which we report that in our opinion the foregoing Cash Account and Balance Sheet exhibit a true and correct view of the Company's affairs at 31st December, 1936.

H. D. LOCKHART GORDON, F.C.A.
R. J. DILWORTH, F.C.A.
of Clarkson, Gordon, Dilworth & Nash,
Chartered Accountants.

Toronto, January 19th, 1937.

BOARD OF DIRECTORS

PRESIDENT AND GENERAL COUNSEL
M. R. Gooderham, K.C.

VICE-PRESIDENT
George G. Mitchell

A. L. Bishop
Geo. H. Cassels, K.C.
R. A. Daly
H. B. Henwood
J. H. Lithgow
F. Gordon Osler
Douglas G. Ross, M.P.

73rd Annual Financial Report

The Huron & Erie
MORTGAGE CORPORATION

Year Ended
December 31st, 1936

Assets

Office Premises		$ 2,000,000 00
At London (four buildings), Toronto, Winnipeg, Windsor, Chatham, St. Thomas and Hamilton.		
Real Estate held for Sale		
Farm properties	$ 407,118 53	
City properties	561,457 51	
		968,576 04
Mortgages and Agreements for Sale		
Principal and interest due and accrued		34,250,981 60
Securities—Including Accrued Interest		
Bonds of Great Britain, Dominion of Canada and Provinces of Canada		3,999,869 72
Bonds guaranteed by Dominion of Canada and the Provinces of Canada		719,586 08
Debentures of Canadian Municipalities, School Districts and Rural Telephone Companies in Canada		392,370 50
The unrealized assets of The Peoples Loan and Savings Corporation are held under an agreement, approved by the Lieutenant-Governor-in-Council, as security for liabilities of		929,158 27
Canada Trust Company Stock		
(Value on basis of reserve—$1,704,675.00)		1,557,555 00
Cash in Offices and in Chartered Banks		816,247 97
Total Assets		$45,634,345 18

Liabilities

To the Public—		
Canadian Debentures	$27,158,700 07	
Sterling Debentures	2,269,448 19	
Sterling Debenture Stock (4% Perpetual)	201,660 04	
Deposits	8,956,881 33	
Interest Accrued on Debentures and Deposits	370,351 77	
		$38,957,041 40
Provision for Dominion and Provincial Taxes		35,000 00
To the Shareholders—		
Capital Stock		
Subscribed $ 9,000,000 00		
Fully Paid	$ 4,000,000 00	
Partly Paid	1,000,000 00	
	$ 5,000,000 00	
Reserve Fund	1,500,000 00	
Dividend declared payable 2nd January, 1937	62,500 00	
Profit and Loss Balance carried forward	79,803 78	
		6,642,303 78
Total Liabilities		$45,634,345 18

35th Annual Financial Report

The CANADA TRUST COMPANY

Year Ended
December 31st, 1936

Managed and controlled by The Huron & Erie Mortgage Corporation

Assets

Capital Account		
Real Estate held for Sale		
Farm properties	$ 46,722 74	
City properties	194,258 93	
		$ 240,981 67
Mortgages and Agreements for Sale		
Principal and interest due and accrued		1,140,103 67
Loans on Stocks and Bonds		
Principal and interest due and accrued		32,812 25
Securities, including accrued interest		
Bonds of Dominion of Canada		309,578 68
Cash in offices and in banks		100,027 81
Advances to Estates		44,330 00
Guaranteed Trust Account		
Mortgages, Equities in Mortgages and Agreements for Sale		
Principal and interest due and accrued		7,097,528 59
Loans on Securities, including accrued interest		61,382 84
Securities, including accrued interest		
Bonds of Dominion of Canada		548,378 73
Bonds guaranteed by Dominion of Canada		163,681 02
Debentures of Canadian Municipalities, School Districts and Rural Telephone Companies in Canada		414,983 83
Cash in Banks		38,005 15
Estates, Trusts and Agencies Account		
Investments, and cash in chartered banks		7,816,554 76
Original assets of estates and agencies under administration by the Company (inventory value)		14,143,312 09
Securities held for clients' Accounts		1,060,335 99
Total Assets		$33,211,997 08

Liabilities

Capital Account		
Capital Stock		
Subscribed $ 1,048,900 00		
Fully paid	$ 986,900 00	
Partly paid	13,100 00	
		$ 1,000,000 00
Reserve Fund		750,000 00
Dividend declared payable January 2nd, 1937		50,000 00
Provision for Dominion and Provincial Taxes, payable in 1937		14,500 00
Profit and Loss		
Balance carried forward		53,334 08
Guaranteed Trust Account		
Trust Funds for Investment		8,250,214 74
Interest accrued		73,745 42
Estates, Trusts and Agencies Account		
Trust funds invested and for investment or distribution		7,816,554 76
Original assets of estates and agencies under administration by the Company (inventory value)		14,143,312 09
Securities held for clients' Accounts		1,060,335 99
Total Liabilities		$33,211,997 08

Branches in Six Provinces

London Toronto Hamilton Montreal Windsor St. Thomas Chatham
Winnipeg Regina Edmonton Vancouver Victoria

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING JANUARY 25

Range 1936-37 High	Low	Div R'te $	Jan23 Y'ld %		Sales	Last Jan. 18	Week end. Jan. 25 H	L	Cl'se
				A					
10.12	1.30	.	...	Abitibi ...	92903	9.50	9.62	8.75	9.00
57	6¼	.	...	Do. pref. 6%	14370	54½	56	51½	52½
85	48	.	...	Do. pref. 7%	....	(— bid 85 asked)			
56	6½	.	...	Do. cert. dep.	1235	55	53	50	53
5⅜	4¼	10c	...	Acadia Sugar	180	5⅜	5¼	5⅜	5⅜
21	14½	50c	2.8	Acme Glove	385	18	18½	16	16
100	93	6.50	6.9	Do. pref.	6	94	94	93	94
12	7¼	40c	3.6	Agnew Surp.	90	11	11	11	11
110	100	7	6.4	Do. pref.	21	107	110	110	110
7	2	.	...	Alta. Pac. Gr.	2411	6¾	7	6½	6½
43½	19	.	...	Do. pref.	1005	38½	43½	38	42
116	54½	.	...	Aluminum	....	(116 Jan. 7)			
6	2	.	...	Amal. Electric.	....	(5 bid 5½ asked)			
31	14	.	...	Do. pref.	....	(26 bid — asked)			
40½	29½	60+40c	...	Amer. Cyn. B.	....	(— bid 40 asked)			
56	51½	3.50	6.6	Ang. C. Tel. p.	....	(53 bid 54½ asked)			
120	17½	.	...	Asbestos	1726	105	108	102	102
15	9½	60+25c	...	Assoc. Brew.	735	12½	13	12½	12½
110	103	7	6.4	Do. pref.	....	(110 bid — asked)			
8½	7½	.	...	Assoc. T. & T. A	....	(— bid 8½ asked)			
57½	34	42c	...	Do. pref.	....	(— bid 59 asked)			
				B					
60	51½	2.25	3.8	Bank of Canada	273	58	59	58	58½
154½	133	8	5.2	Bk. Can. Nat.	97	151½	154½	152	154½
240	182½	8	3.4	Bk. Montreal	266	233	240	232½	240
339½	271	12	3.6	Bk. N. Scotia	66	330	335	330	332
270	220	10	3.8	Bk. Toronto	35	265	270	260	260
13½	4½	75c	...	Barcelona	....	(4 bid 9 asked)			
20½	10½	.	...	Bathurst Pr.	14050	19½	20	18½	18½
8½	3	.	...	Do. (B)	804	8½	8½	7½	..
5½	1	.	...	Bawif Grain	3819	5½	5¼	4½	4½
38	20	.	...	Do. pref.	250	34	38	34½	38
10	2½	.	...	Beath & Sons	....	(4 bid 7 asked)			
21½	9½	.	...	Beatty Bros. A.	560	18½	20	18½	20
107	96	6	5.7	Do. pref.	60	105	106	106	106
10	1½	.	...	Beauharnois	8623	7½	8	6½	7
110	97½	4	3.7	Belding Cort.	....	(106 bid 107 asked)			
145	126	7	5.4	Do. pref.	....	130 (Jan. 13)			
161½	140	6	3.7	Bell Telephone.	846	160½	161½	160	161
14½	14	.	...	Biltmore Hats n.	30	..	14½	14	14½
110	109	7	6.4	Do. pref.	....	(109½ bid 113 asked)			
8½	3	.	...	Bissell, T. E.	....	(7 bid — asked)			
50	33	.	...	Do. pref.	....	(46 bid — asked)			
6½	2½	.	...	Blue Ribbon	17	6½	5½	5½	5½
40	27	2	5	Do. pref.	40	36½	40	40	40
28	25	32½c	...	Brant. Cord. pf.	155	26½	26½	25½	25½
22½	9½	40c	...	Brazilian Tr.	46827	21	22½	20½	22
9	7½	1♦	...	Brew. & Distil.	514	8	9	7¾	8½
4½	1½	.	...	Brewing Corp.	22045	3½	4	3	3½
21½	10½	1.50	7.5	Do. pref.	5655	17½	21½	17½	20
9	5	30c	5	Bright, T. G.	....	(6 bid — asked)			
82	75½	6	7.9	Do. pref.	....	(75½ bid — asked)			
27½	16½	80c	3.2	Brit. Amer. Oil	25011	25	25½	24½	25
22½	8	.	...	B. C. Packers	580	18½	18	18	18
39½	28½	1.60	4.2	B. C. Power A.	585	37½	38½	37½	38½
11½	3½	.	...	Do. (B)	270	11½	11½	10½	10½
16	7	40c	3.3	Bruck S. Mills.	4654	8½	12	8½	12
66	33	1.40+50c	...	Building Prod.	675	65	64½	63½	64
9⅜	6½	.	...	Burry Biscuit	580	7	7¼	7¼	7¼
75	51	3	4.6	Do. pref.	....	(60 bid 70 asked)			
47½	37½	2	4.6	Burt, F. N.	400	44	44	43	43
				C					
120	120	.	...	Calgary Power.	....	(120 Sept. 28, '36)			
86½	74½	6	7.5	Do. pref.	....	(79 bid 85 asked)			
10	4½	.	...	Canada Bread	2535	8½	10	8	10
104½	90	5	4.8	Do. pref.	25	102½	103	103	103
58	30	62½c	...	Do. pref. B.	30	55½	58	55	58
10½	6½	40c	...	Canada Bud	570	9½	10	9½	9¾
16¼	6	.	...	Canada Cement	5160	16½	16½	15½	16
107	58	1♦	...	Do. pref.	1822	106	107	105½	107
69¾	57	1.50	2.2	C. & D. Sugar.	....	(68 bid 68½ asked)			
b32½	10½	.	...	Canada Dry	13600	31½	31½	30½	30½
20½	2	.	...	Can. Forg. (A).	140	19	19	17½	18½
17	2	.	...	Do. (B)	....	(14 Jan. 14)			
50	30	.	...	Canada Iron	....	(40 bid — asked)			
66½	51	3	4.5	Do. pref.	....	(65½ bid — asked)			
37½	30½	1.50+50	5.4	Can. Malting.	1266	35½	37	35½	36½
29½	22½	1.20	4.2	Can. Nor. Pr.	310	29	28½	28½	28½
112½	107½	7	6.4	Do. pref.	104	110	110½	109½	110
93	80	3	3.5	Can. Packers	235	87	87	86	87
118	105	.	...	Can. Paper, pf.	....	(112½ bid — asked)			
7	1½	.	...	Can. Paving, pf.	20	2½	7	3	7
160	120	8	5.3	Can. Perman.	22	150	155	155	155
25	14	.	...	Can. Starch	43	14	25	25	25
95	95	7	7.4	Do. pref.	....	(99½ bid — asked)			
4	1	.	...	Can. Steamsh's	515	3½	4	3½	3⅝
15½	5½	.	...	Do. pref.	3933	8½	8⅞	8½	8½
27½	18½	1.20	6.3	Can. Vinegars	335	18½	19½	19	19½
62	20½	.	...	Can. W. Cable.	110	61½	62	60½	62
29	9	.	...	Do. (B)	133	28	25	24½	25
116	98½	2.75▲	...	Do. pref.	2	116	115	115	115
6	2	.	...	Can. Bakeries	....	(5½ bid — asked)			
70	40	.	...	Do. pref.	35	67	70	67	67
211	148	8	3.9	Can. Bk. Com.	336	210	210	200	202½
61½	31	1+75c	...	Can. Bronze	520	60½	60	58½	58½
108½	101½	5	4.6	Do. pref.	....	(108 bid — asked)			
9¼	4	.	...	Can. Cannera	405	8½	9	8½	9
20½	20	.	...	Do. 1st pfd. n	715	20	20½	20	20
12½	5	.	...	Do. 2nd pfd.	2690	11¾	12½	11½	11½
21½	5½	.	...	Can. Car & Fd'y	34584	18½	21½	18½	20½
31½	13	.	...	Do. pref.	13293	28½	31½	28½	31½
31½	24½	40c	...	Can. Celanese	3551	26½	26½	26	26½
130½	112	7	5.7	Do. pref.	145	125	125	122	122
22	18	.	...	Do. Rights	75	21	21½	21½	21½
32	21½	2	6.7	Can. Convert.	1	29	30	30	30
70	48	4	5.7	Can. Cottons	....	(68 bid — asked)			
108	97	6	5.6	Do. pref.	....	(108 bid — asked)			
50	37	2+1	6.7	Can. Dredge	450	45	45	44	44
101	98½	6	5.9	Can. Fairb. pf.	5	100	101	101	101
34	23½	1.60	5.4	Can. For. Inv.	236	29½	29½	28	29½
107½	105	8	7.5	Do. pref.	....	(107 bid 112 asked)			
205	150	5	2.4	Can. Gen. Elec.	....	(206 bid — asked)			
10½	7½	50c	...	Can. G. Inv.	....	(10½ bid — asked)			
83	26	.	...	Can. Hyd. E. p.	2630	80½	80½	73	73
12½	6½	.	...	Can. Ind. Alc.	21732	7½	8½	6½	8½
11½	5	.	...	Do. (B)	2825	6½	7½	6½	7½
240	221	2	...	Can. Indust. B.	10	222½	240	240	240
5	1	.	...	Can. Int. I. Tr.	145	5	5	4½	4½
93	35	2.50	...	Do. pref.	35	93	93	93	93
23	19	1	4.8	Can. Lt. & Pr.	50	21	19½	19½	19½
25	1	.	...	Can. Locomo.	595	19½	20	19	20
3⅜	1½	.	...	Can. Marconi	23545	2½	2½	2½	2½
19	11½	50c	2.9	Canadian Oil	260	17	17½	16	17
142	120	8	6.3	Do. pref.	....	(130 bid 138 asked)			
16½	10½	.	...	Can. Pacific	22920	15½	16½	15½	15½
7½	1	.	...	C. Pr. & Pa. In.	1120	7½	7½	7	7
27½	4½	.	...	Do. pref.	55	26	26	26	26
16½	1½	.	...	Can. Vickers	1263	14½	15½	14	14
68	12	.	...	Do. pref.	160	61	65	61	63
30½	24	1.25	...	C. Wallpaper A	....	(— bid 29 asked)			
32	24½	1.25	...	Do. (B)	....	(25 bid 29½ asked)			
80½	64	2	3.1	Can. West'ho'se	....	(65 Dec. 6, '36)			
4	2	.	...	Can. Wineries	285	3½	3½	3½	3½
26½	21	1.50	...	Can. Wire Box	215	23½	25	23½	25
9½	4½	.	...	Capital Estates.	110	7½	7½	7½	7½
104½	100	5	4.8	Carnation, pfd.	10	104½	104½	104½	104½
11½	2½	25c	...	Catelli Food	1377	8	8½	6½	6½
15	10	75c	...	Do. pref.	580	11	11½	10	10
165	150	8	5.3	Cent. Can. L'n	....	(160½ bid 195 asked)			
1.80	.75	.	...	Chem. Research	6510	1.38	1.39	1.25	1.29
3½	1	.	...	City Gas & El	255	1½	1½	1½	1½
.80	.15	.	...	Claude Neon	9065	.70	.80	.60	.65
15	12½	96c	7.3	Coast Brew.	200	13½	13	13	13
17	5½	.	...	Cockshutt Plow	4775	16½	17	15½	15½
4.50	.60	.	...	Comm. Alcohol	1990	3.75	3.75	3.25	3.50
23	15½	80+20c	...	Cons. Bakeries.	940	20½	21	20½	20½
15½	2	.	...	Cons. Paper	53203	14½	15½	13½	15
13½	5	.	...	Cons. Press	15	13½	13½	13½	13½
60	32	.	...	Cons. Sand, pf.	7	60	47	47	47
81½	51	50c+$1	...	Cons. Smelters.	4565	78	79	75½	76
209	189	10	4.9	Consumers' Gas	59	204	204½	204	204
92	78	7	7.7	Corr. P. Box, p.	40	91	92	90½	91
27½	17½	80c	3	Cosmos Imp.	128	27	27	26½	26½
106½	102	5	4.8	Do. pref.		104 bid 105½ asked			
22	15	80c	3.7	Crown Cork	755	18	22	18	22
2⅜		.	...	Crown Dom. Oil	25	2	1½	1½	1½
56	30	7	...	Crow's N. Coal	25	48	50	50	50
				D					
4	2	.	...	David & Fre. A	....	(3 bid — asked)			
1½	1	.	...	Do. (B)	....	(1 bid 2½ asked)			
21	2	.	...	De Havilland	25	17	16	16	16
72	40	.	...	Do. pref.	5	67	70	70	70
5⅜	3	.	...	Disher Steel	....	(3½ bid 6½ asked)			
16½	7½	.	...	Do. pref.	100	15½	16½	16	16½
34½	18½	.	...	Distill-Seagram	5060	26½	27½	26	26½
94½	94	1.25	...	Do. pref.	85	94½	94½	94	94
..	..	.	...	Dom. Ang. Inv.	....	(84 bid — asked)			
		5+1.25	..	Do. pref.	....	(85 bid — asked)			
250	190	10	4.1	Dom. Bank	245	250	248	240	247
58½	32	1.20	2.1	Dom. Bridge	3985	56	58½	55	56
22½	14	1.50	7.3	Dom. Coal, pf.	3676	21	21	19½	20
65	26½	.	...	Dom. Engineer.	385	64½	65	64	65
120	32	.	...	Dom. Foundries	20	120	119	115	119
116	106	5	4.3	Dom. Glass	95	116	115	110	115
155	135	7	4.6	Do. pref.	17	150	153	151	151
43½	33	.	...	Dom. Oilcloth	....	(42 bid — asked)			
102½	95	7	6.8	Dom. Rubber, p	....	(100 bid — asked)			
14⅜	3⅜	.	...	Dom. St. & C.B.	16586	13½	14½	13½	14½
12½	8	.	...	Dom. Stores	1190	11½	11½	10½	11
18½	4½	.	...	Dom. Tar & Ch.	2926	17	17	16½	17
117	57	.	...	Do. pref.	375	115	116	114	116
80	69	5	6.3	Dom. Textile	571	79½	80	79½	79½
150	143	7	4.7	Do. pref.	....	(— bid 148 asked)			
17½	4½	.	...	Donnacona P.A.	5768	16	16½	15	16
16½	2½	.	...	Do. (B)	845	16½	15½	14	15½
16	4½	.	...	Dryden Paper	2010	15½	16	14½	15
				E					
7	1	.	...	East Koot. Pr.	55	6½	7	6	7
36	5	.	...	Do. pref.	175	26	36	26	33
5	1	.	...	East. Dairies	1185	4½	4½	4	4½
30	8½	.	...	Do. pref.	220	28	28	25	25
24	10	1	...	East. Steel	740	23	23	22	23
109	80	7	6.4	Do. pref.	....	(106 bid 109 asked)			
85	72½	7	8.7	East. Theat. pf.	....	(— bid 80 asked)			
9½	1½	.	...	Easy Washing	5495	7½	9	7½	8½
35	20	1	...	Economic Inv.	....	(34½ bid — asked)			
28½	19½	1.60+30c	...	Electrolux	1027	23	23	22½	22½
8	1	.	...	Enam. & Heat.	2235	7	8	7	7½
40	10½	.	...	Eng. Electric	265	36	38	36	38
19½	4	.	...	Do. (B)	300	16	16	15	15
7	5½	.	...	Equitable Life.	23	6	6½	6½	6½
7	7	60c	...	European El. A	....	(9½ bid 12 asked)			
.35	.15	.	...	Do. Warrants	....	(.45 bid — asked)			
				F					
13	7½	.	...	Fairchild Air.	10095	12	13	11	11½
35	18	60c	...	Fam. Players	114	34	35	32½	35
34	14	60c	...	Do. Vot. Tr.	....	(30 bid — asked)			
24½	13½	50+37½c	...	Fanny Farmer	2490	23	23½	22½	23½
28½	18½	1	3.6	Ford Motors A.	28506	27½	28½	25½	27½
3.00	.65	.	...	For. Pr. Secs.	760	1.25	2.00	1.25	2.00
28½	13	.	...	Foundation Co.	2240	27	28½	27	27½
34½	9	.	...	Fraser Cos.	583	33½	33	31½	31½
34½	8	.	...	Do. Vot. Tr.	4688	33	33	31½	32
60	37	6	...	Freiman, pf.	10	48	48	48	48
11	2½	.	...	Frost Steel	150	10½	9	9	9
105	88	5.25	...	Do. pref.	....	(103½ bid — asked)			
				G					
16½	3	.	...	Gen. St. Wares.	42880	12½	16½	12½	16
94½	45	.	...	Do. pref.	1734	88	94½	88	93½
90	64½	2.50+2.50	...	Goodyear Tire	280	86	87	85	87
59	53½	2.50	4.4	Do. pref.	215	56½	57	56	56
3	1	.	...	Gt. W. Saddlery	80	2½	2½	2½	2½
32	13	.	...	Do. pref.	10	29½	30	30	30
12½	5	20c	...	Gurd, Chas.	2705	10½	12½	10½	11
100	90	7	7.4	Do. pref.	1	95	95	95	95
17½	5½	.	...	Gypsum, Lime.	10446	16½	16½	15½	15½
				H					
17	4	.	...	Ham. Bridge	4842	15½	17	14½	16½
85	25½	.	...	Do. pref.	141	80	83	77	83
35	25½	2	5.7	Ham. Cot., pf.	93	34½	35	34½	35
3⅜	1	.	...	Ham. U. Theat.	450	3	3½	3½	3½
70	50	5	7.3	Do. pref.	....	(67 bid 69 asked)			
7	2½	5c	...	Harding Carpet	5540	6½	7	6½	6½
9	1½	.	...	Hillcrest Coll.	....	(5 bid — asked)			
20	15	.	...	Do. pref.	....	(15 bid — asked)			
22½	12	1	4.8	Hinde & Dauch	785	21	21	20	21
14	4	.	...	Holt Renfrew	....	(15 bid — asked)			
56	30	.	...	Do. pref.	105	45	56	56	56
1.25	.45	.	...	Honey Dew	200	.65	.60	.60	.60
15	7	.	...	Do. pref.	30	12½	13½	13	13½
22½	9½	.	...	H. Smith Pap.	4740	21½	22½	20½	22
119	88	3	...	Do. pref.	256	102	102	101	102
35	29	2	6.2	Humberstone S.	60	32	32½	32	32½
19	4½	.	...	Hunts (A)	27	15	14	14	14
20	6	.	...	Do. (B)	....	(14 bid 15 asked)			
90	70	5	6.7	Huron & E. Mt.	55	74	74	73½	73½
12½	9½	.	...	Do. 20% pd.	....	(11 bid 13½ asked)			
10½	6½	.	...	Hydro-Electric	300	10½	10½	10	10½
				I					
251½	197½	10	4	Imperial Bank.	90	250	251½	246	246
24½	19½	50+75c	5.7	Imperial Oil	23761	21½	21½	21	21½
14½	13½	52½c	3.7	Imperial Tob.	2992	14½	14½	14	14½
7½	7	6%	...	Do. pref.	30	7½	7½	7½	7½
38½	28	.	...	Indust. Accept.	6216	35½	38½	35½	38½
41	19	2	...	Inter-City Bak.	....	(— bid 39 asked)			
48	40	4+2	...	Inter'c Coal	....	(— bid 44½ asked)			
130	115	8	6.2	Do. pref.	....	(120 bid — asked)			
.20	.20	1c	...	Int. Coal & C.	....	(.10 bid — asked)			
b15½	2½	.	...	Int. Hyd. E. A.	40000	14½	14½	12½	12½
18½	4	.	...	Int. Metal Ind.	605	17½	17½	16½	16½
100	30	.	...	Do. pref.	105	98	95	95	95
105½	101	5	4.8	Int. Mill., pf.	285	103½	104	103	103
66½	43½	1.60	2.5	Int. Nickel	20225	63½	64½	63	63½
10½	2½	.	...	Int. Paints	253	10	9⅞	9½	9½
29½	14½	75+25c	...	Do. pref.	105	20	20	19	20
b23½	3½	.	...	Int. Pa. & P.A.	18000	19½	21½	18½	18½
b14½	2½	.	...	Do. (B)	13300	13	14½	12½	12½
b8½	1½	.	...	Do. (C)	45500	6½	7½	6½	6½
b108½	20½	.	...	Do. pref.	28455	96½	108½	96	101½
39½	33	1.50+1	7	Int. Pete.	8424	35½	35½	35	35½
12½	3	.	...	Int. Power	802	11½	11	9	9
98	57	6	6.1	Do. pref.	461	98	98	97	98
15½	13	1.12	...	Int. St. Rly. A.	....	(13 June 17, '36)			
19½	3½	.	...	Int. Util. (A)	800	19	19	18	18
2.65	.40	.	...	Do. (B)	15655	2.50	2.50	2.12	2.12
				J					
37½	33	1.75	4.8	Jam. Pub. Ser.	....	(35½ bid — asked)			
132	123½	7	5.3	Do. pref.	....	(131 bid — asked)			
				K					
39	6½	1.25	...	Kelvinator	610	38	39	36½	36½
108	102½	7	...	Do. pref.	....	106½ bid 108 asked			
				L					
48	16½	.	...	Lake of Woods.	1700	42½	42	41½	42
170	123	7+14▲	4.6	Do. pref.	20	150	151	150	151
65	54	5	7.7	Landed Bank.	....	(61½ bid 86 asked)			
19	13½	17½c	...	Lang, J. A.	1975	18	19	17½	18½
6	3	.	...	Langley's	55	4½	6	6	6
65	35	.	...	Do. pref.	20	61	65	65	65
78	64½	3	4	Laura Secord	145	75	74	72	74
15	2	.	...	Lindsay, C. W.	592	13½	15	13	13
75½	40	.	...	Do. pref.	11	70	75½	70	70
24½	18½	1	4.2	Loblaw (A)	861	24	24	23½	23½
22	17½	1	4.5	Do. (B)	730	22	22	21½	22
				M					
10½	2½	.	...	MacKin. Steel.	....	(— bid 11 asked)			
63	50	.	...	Do. pref.	....	(63 bid — asked)			
37½	16½	.	...	Maclaren Pr. p.	2028	37	36½	33	34
1½	1	.	...	M. L. Gardens.	....	(¾ bid — asked)			
4	2½	.	...	Do. pref.	....	(2½ bid 3 asked)			
11	1	.	...	Maple Leaf	15400	8½	11	8	10
12½	2	.	...	Do. pref.	2820	11½	12½	11	11½
•12½	12	60+10c	...	Maritime Tel.	....	(16½ bid 18 asked)			
15	15	70c	...	Do. pref.	....	(16½ bid — asked)			
18	13	.	...	Marcus Loew's.	....	(— bid 20 asked)			
116	111	7	6	Do. pref.	....	(127 bid — asked)			
9½	3½	.	...	Massey-Harris	10168	9½	9½	8½	8½
65	28	.	...	Do. pref.	2420	61½	64½	61½	63
17½	12½	80c	5.8	McColl. Fron.	2834	13½	14	13½	14
105	96½	6	6	Do. pref.	248	100	100½	99½	99½
14½	9	50c▲	...	Melchers (A)	1950	13½	14½	13½	14
5	2½	.	...	Do. (B)	532	4½	5	4	5
31	9	.	...	Mercury Mills p	380	26½	31	26	31
50	30	2	...	Mitchell, J. S.	....	(50 bid — asked)			
110	110	7	6.4	Do. pref.	....	(110 bid — asked)			
30	5½	.	...	Mitchell, Robt.	6036	27	29½	27	27
5	3	.	...	Monarch Knit	....	(5½ bid — asked)			
90	83½	7	8.4	Do. pref.	5	83½	83½	83½	83½
40	26	.	...	Montreal Cot.	30	38	38	38	38
108	85	7	6.6	Do. pref.	55	106	106	106	106
2½	1	.	...	Mont. Is. Pr.	2	2	1	1	1
37½	30	1.50	4.2	Mont. L. & Pr.	10314	36½	36½	35	35½
28½	25	2	7.4	Montreal Loan	....	(29 bid 30 asked)			
15	9	1	...	Mtl. Ref. & S. p	....	(13½ bid — asked)			
3	1½	.	...	Do. Vot. Tr.	....	(1½ bid — asked)			
60½	55½	3.20	5.3	Montreal Tele.	12	60½	60½	60½	60½
103	85	9	9	Montreal Trams	92	95	100	95	100
46	27½	1.60	3.6	Moore Corp.	600	44	44½	43½	43½
183	146	7	3.8	Do. pref. (A).	73	182	183	180	183
270	175	7	2.6	Do. pref. (B).	20	258	265	264	265
1½	¼	.	...	Muirheads	....	(1½ bid 1½ asked)			
5	3	.	...	Do. pref.	....	(6 bid — asked)			
				N					
45	27	2	4.8	Nat. Breweries.	3391	40½	41½	40½	41½
45½	39½	1.75	4.2	Do. pref.	154	42	42	41½	41½
10	5	.	...	Nat. Grocers	895	9	9½	8½	8½
140	130	7	5.1	Do. pref.	....	136½ bid 138 asked			
22	16½	.	...	N. Sew. Pipe A	350	21½	21½	20½	20½
59½	13	.	...	Nat. Steel Car.	8485	54	57	52½	55½
214	196	8	3.8	National Tr.	10	208	210	210	210
45	29	40c	...	Niag. W. Weav.	865	45	45	44	45
3½	¾	.	...	North Star Oil.	205	3	3½	3	3
4¾	3½	17½c▲	...	Do. pref.	150	4½	4¾	4½	4¾
93	61	5	5.4	N. S. L. & Pr.	....	(95 bid — asked)			
104	100½	6	5.8	Do. pref.	....	(103 bid — asked)			
20	7½	.	...	N. S. Steel, pf.	176	20	20	20	20
				O					
275	199½	8	3	Ogilvie Flour	157	269	275	265	275
170	152	7	4.2	Do. pref.	10	166	165	165	165
110	100	5	4.5	Ontario Loan	....	(107 bid 110 asked)			
14½	5½	.	...	Ont. Silknit	....	(6 bid 10 asked)			
90	75	7	8.7	Do. pref.	....	(— bid 75 asked)			
20	8	.	...	Ont. Steel	825	16½	18½	16½	18½
120	74	3.50	2.9	Do. pref.	....	(115 bid — asked)			
3	1	.	...	Orange Crush	40	3	3	3	3
12	5	.	...	Do. pref.	15	6½	7	7	7
101½	88	6	6.3	Ott. L. H. & Pr.	5	99	95	95	95
105	101½	5	4.8	Do. pref.	2	104½	104½	104	104
22	15	2	10	Ott. Traction	60	20	20	20	20
				P					
110½	78½	3+25c	..	Page Hersey	410	99½	101	99½	99½
10½	3½	.	...	Pantepec Oil	4635	9	9½	8½	8½
25	18	.	...	Paton Mfg.	....	(— bid 20 asked)			
110	100	7	6.4	Do. pref.	....	(112 bid — asked)			
63½	48	3	4.7	Penmans	85	63	63½	63½	63½
130	118	6	4.6	Do. pref.	10	127	130	130	130
27	21½	1	3.8	Photo Eng.	570	23½	26½	23½	26
100	82	7	7.2	Porto Rico Pr p	....	(97 bid 131 asked)			
31½	11½	25c	...	Power Corp.	3050	28½	28½	27½	28
106½	97½	6	5.7	Do. pref.	70	105	106	105½	106
4	1½	.	...	Prairie C. Oil.	40	3	3½	3	3½
38½	19	1.75+62½c		Pressed Metals	450	34½	34½	33	33½
41½	2½	.	...	Price Bros.	14000	38	41½	35	38½
132	22	.	...	Do. pref.	2475	125	132	118	129
5	2	.	...	Do. Rights	13605	..	5	2	3½
				Q					
25½	14	1	4.4	Quebec Power	1174	23½	23½	22½	22½
7	3½	.	...	Que. Telephone	20	4½	4½	4½	4½
				R					
40	40	2	5	Real Estate L'n	....	(40 bid 50 asked)			
10	4½	.	...	Regent Knit.	1405	9	10	9	10
20	12½	.	...	Do. pref.	100	19½	20	20	20
14	4½	.	...	Reliance Grain.	55	13½	14	13½	14
25½	19½	60c▲	...	Remington R'd.	3500	25½	25½	25½	25½
36	28½	2+1.75	.	River. S. Mills.	60	32	32	32	32
9½	4	.	...	Rogers Majest.	2529	7½	8½	8	8
29	23	50c	...	Rolland Pap.	....	(26 bid — asked)			
30½	24	.	...	Do. Vot. Tr.	445	27½	28½	28	28
105	95½	6	5.8	Do. pref.	15	103½	105	104	105
17	14½	50c	...	Root Petroleum	....	(— bid 14 asked)			
226	164	8	3.6	Royal Bank	397	225	226	223	225
56½	30	1.50	...	Russell Motor	30	46	56½	56	56½
116	100	7+1▲	6.3	Do. pref.	5	110	110½	110½	110½
				S					
102½	99½	5.50	5.4	Saguenay Pr. p.	288	100	101	100	101
22	6	.	...	Sarnia Br. (A).	1230	16	22	16½	22
15	1½	.	...	Do. (B)	738	9½	16	10	16
33	18½	80c	2.5	Shawinigan Pr.	8913	31½	32	31	31
26½	16	.	...	Sher. Wms.	1680	25½	26	25½	26
135	115	7	5.5	Do. pref.	14	127	129	123	129
16	9	25c	...	Simon & Son	780	15	16	15½	15½
101	85	7▲	...	Do. pref.	48	100	101	100	101
108	70	4	3.8	Simpson, pf.	638	106	108	104	106
34	10	.	...	Do. (A)	580	25	34	24½	34
17	4	.	...	Do. (B)	2220	13	17	14½	15
125	111½	6	5.1	Simpson, R., pf.	5	118	118	118	118
17	11	80c	4.8	So. Can. Pr.	1674	16½	16½	16½	16½
107	98	6	5.7	Do. pref.	151	104½	106	104	104
11	1½	.	...	St. Law. Corp.	19620	10½	11	9½	10½
28½	8	.	...	Do. (A)	6005	28½	28½	27½	28½
73	40	3	4.1	St. Law. Flour.	....	(— bid 73 asked)			
140	120	7	5	Do. pref.	....	(— bid 140 asked)			
76½	20½	.	...	St. Law. Pap. p	2325	72	76½	71	75
16	6½	.	...	Stand. Chem.	20	13½	15½	14½	15½
14	2	.	...	Stand. Clay	10	8	14	14	14
8.75	1.15	.	...	St. Pav. & Mat.	1560	7.87	8.75	7.50	8.75
59	12	.	...	Do. pref.	320	55	56	54	54
48	29	75+75c▲	.	Stand. Steel, pf.	25	46	48	48	48
90	57½	1.75	2.1	Steel of Can.	1059	83	83½	82	82
84	49½	1.75	2.2	Do. pref.	295	77	80	76	77
4	2	.	...	Sterling Coal	....	(3½ bid 4½ asked)			
3½	1	.	...	Stop & Shop	160	2½	2½	2	2
2½	2	.	...	Supersilk H.	....	(3½ bid — asked)			
80	66	3.50	4.4	Do. pref.	....	(81 bid — asked)			
41	30	1	2.8	Sup. Pete. ord.	422	36	36	35½	36
45	32	1	2.8	Do. com.	....	(36 bid 40 asked)			
				T					
16½	15½	80c	4.8	Tamblyn	1728	15½	16½	16	16½
58	52½	2.50	4.7	Do. pref.	....	(53 bid — asked)			
5	1	.	...	Thayers	245	2½	2½	2	2
37	18	2.50	...	Do. pref.	....	(19½ bid 23½ asked)			
3	1	.	...	Thrift Stores	....	(1½ bid 1½ asked)			
14	5	.	...	Do. pref.	85	7½	8	7½	7½
12	7½	25c	...	Tip Top Tailors	190	11½	11	10½	10½
108	102	7	6.5	Do. pref.	5	108	103	108	108
5	1	.	...	Tooke Bros.	36	5	3½	3	3
25	10	.	...	Do. pref.	120	21	25	23	25
40	34	1	2.7	Tor. Elevators	145	37½	38½	37	37
118	109	7	6.4	Do. pref.	5	113	110	110	110
52	51½	.	...	Do. pf., new.	25	52	52	51½	52
114	75	4	3.8	Tor. Gen. Tr.	3	109	104	104	104
125	115	6	4.8	Toronto Mtge.	....	(125 bid — asked)			
160	150	7	4.5	Tuckett Tob. p.	35	157	155½	155	155
18	8	.	...	Twin City	25	16	18	16	16
				U					
19	9	35c	...	Union Gas	8775	18½	19	17½	18½
25	15	60+10c	...	Un. Amuse. A.	10	25	25	25	25
15	15	60+10c	...	Do. (B)	....	(24 bid — asked)			
1.15	.50	.	...	United Distill.	....	(— bid 1.00 asked)			
93½	62½	20	...	United Fuel, pf.	1680	60½	62½	59½	60
28½	20	2	8	United Secs.	50	25	25	25	25
9½	2½	.	...	United Steel	7245	8½	8½	7½	5½
				V					
10	4	.	...	Viau Biscuit	95	6½	7	7	7
50	50	.	...	Do. pref.	95	50	50	50	50
				W					
31½	20	25c	...	Wabasso Cot.	30	25	25	25	25
49½	26½	2	4.2	Walker-Good.	2946	48½	48½	46½	46½
20½	17	1	5.1	Do. pref.	1973	19½	19½	19½	19½
32	1½	.	...	Walkerville Br.	3275	2½	3	2½	3
4.00	.95	.	...	Waterloo Mfg.	205	3.50	3.50	3.00	3.50
12½	4½	.	...	West. C. Flour.	220	12½	12½	11½	12
90	36	.	...	Do. pref.	10	89	88	88	88
65	46½	2.40	3.7	West. Grocers	20	65	65	65	65
120	106	7	5.8	Do. pref.	15	116	120	120	120
21	13½	80+10c	.	Weston Ltd.	2070	18	18½	17½	18
109½	93	5	4.7	Do. pref.	....	104½ bid 105½ asked			
8	¾	.	...	Windsor Hotel	1116	5	8	5	6
23	4	.	...	Do. pref.	65	18	23	20	23
10½	1½	.	...	Winnipeg El. A.	7324	9½	9½	8½	9
10	2½	.	...	Do. (B)	3985	9½	9½	8½	9
44	17½	.	...	Do. pref.	556	44	44	40	42
60	38	.	...	Wood, A & J. p	10	60	60	60	60
90	50	.	...	Woods Mfg., pf.	....	(77 bid 80 asked)			
				Z					
6	2½	.	...	Zimmerknit, c.	40	6	6	6	6
92	60	3.50▲	...	Do. pref.	....	(91 bid 105 asked)			

* Quotations for 1935. No sales recorded in 1936-37 to date.
▲ On account of arrears. b New York quotations.
‡ Plus extra of $2 paid Feb. 1, 1937.
• Plus stock bonus 1% paid Jan. 2, 1937.
♦ Capital distribution.

Government Bonds

	Due		Bid	Ask.	Approx. Yld.
Dominion of Canada Jan. 27, 1937					
†‡5	1 Mar. '37	...	100.25	100.75	...
‡5½	1 Dec. '37	...	103.50	104.00	1.00
2½	15 Oct. '39	...	102.75	103.25	1.30
4	15 Oct. '39	...	106.50	107.25	1.34
2	15 Nov. '39	...	101.75	102.25	1.19
1½	1 June '40	...	99.75	100.00	1.50
4½	1 Sept. '40	...	108.00	109.00	1.92
1	15 Mar. '41	...	97.25	98.25	1.44
5	15 Nov. '41	...	111.75	112.75	2.19
3	15 Oct. '42	...	104.00	105.00	2.08
2½	1 June '43	...	101.50	102.50	2.08
5	15 Oct. '43	...	112.75	113.75	2.75
4½	15 Oct. '44	...	111.75	112.75	2.67
■2½	15 Aug. '45	...	100.50	101.50	▲2.25
4	15 Oct. '45	...	108.25	109.25	▲2.51
4½	1 Feb. '46	...	111.75	112.75	2.89
3½	15 Oct. '49	...	104.00	105.00	▲2.78
4	15 Oct. '52	...	108.00	109.00	▲3.03
3	1 June '55	...	99.00	100.00	3.00
4½	1 Nov. '56	...	111.00	112.00	▲3.10
4½	1 Nov. '57	...	111.00	112.00	▲3.20
4½	1 Nov. '58	...	111.25	112.25	▲3.26
4½	1 Nov. '59	..	111.50	112.50	▲3.31
■3¼	15 Jan. '61	...	100.75	101.75	▲3.13
3¼	1 June '66	...	100.00	101.00	▲3.18
♦3	Perp. bds.	...	95.25	96.25	3.12
Dominion Guaranteed Bonds					
Canadian National Railways:					
3	1 May '44	...	102.50	103.50	2.47
3	15 Dec. '50	...	99.00	99.75	▲3.02
3	15 Feb. '53	...	98.50	99.50	3.05
*4½	1 Sept. '51	...	113.50	114.50	3.27
*4½	1 Feb. '56	...	114.00	115.00	3.44
†4½	1 July '57	...	113.50	114.50	3.50
*4¾	15 June '55	...	116.25	117.25	3.48
5	1 Feb. '54	...	116.50	118.00	3.60
*5	1 July '69	...	116.50	117.50	▲2.98
*5	1 Oct. '69	...	119.00	120.00	▲3.39
Provincial Government Bonds					
Ontario:					
*4	1 June '62	...	107.00	109.00	3.46
*4½	1 Sept. '44	...	112.00	113.50	2.62
4½	1 June '50	...	111.50	112.50	3.34
*4½	15 Jan. '62	...	114.00	116.00	3.52
5	15 Oct. '48	...	114.50	116.00	3.37
*5	2 Dec. '60	...	121.00	122.50	3.59
5½	1 July '46	...	115.50	117.00	3.39
New Brunswick:					
4	1 Sept. '54	...	103.00	104.50	3.66
†4½	15 Apr. '61	...	110.00	111.50	3.77
†5	15 Jan. '60	...	114.50	116.00	3.93
Nova Scotia:					
3	2 Sept. '45	...	99.00	100.00	3.00
4½	15 May '43	...	107.00	108.50	3.01
†4½	15 Sept. '52	...	111.00	112.25	▲3.17
†5	1 Mar. '60	...	117.00	119.00	3.77
Ont. Hydro Comm.:					
3½-4-5	1 Oct. '52	...	100.00	101.00	...
4¾	1 Jan. '70	...	117.00	119.00	3.74
Prince Edward Island:					
3	1 Oct. '45	...	100.00	101.00	2.87
Quebec:					
4	15 Mar. '52	...	107.00	109.00	3.25
4¼	1 Aug. '58	...	111.00	112.00	3.47
4½	2 Jan. '63	...	113.50	114.50	3.64
Alberta:					
4	15 Dec. '54	...	58.00	62.00	§
†4	1 Dec. '57	...	60.00	64.00	§
4½	1 Oct. '51	...	74.00	78.00	§
†4½	1 Oct. '56	...	61.00	65.00	§
†5	1 Jan. '48	...	63.00	66.00	§
5	1 Sept. '55	...	61.00	65.00	§
*5	1 Oct. '59	...	64.00	68.00	§
†5½	1 Jan. '47	...	63.00	67.00	§
6	1 Mar. '47	...	64.00	68.00	§
British Columbia:					
†4	1 Dec. '57	...	94.00	96.00	4.29
*4½	15 Jan. '51	...	98.00	99.50	4.55
†4½	1 Oct. '53	...	96.50	98.00	4.67
†5	15 Jan. '48	...	99.00	100.50	4.94
5	1 Sept. '53	...	99.50	100.50	4.95
5½	1 Feb. '45	...	100.50	102.00	5.19
6	15 Feb. '47	...	102.00	103.00	5.61
Manitoba:					
4	2 Jan. '50	...	84.00	86.00	5.44
†4	1 Dec. '57	...	85.00	87.00	5.01
†4½	15 Dec. '56	...	85.00	87.50	5.54
†5	15 June '54	...	92.00	95.00	5.44
*5	2 Dec. '59	...	93.00	97.00	5.22
5½	1 Oct. '55	...	88.50	91.00	6.32
6	1 Apr. '47	...	90.00	93.00	6.95
Saskatchewan:					
4	15 Aug. '53	...	75.50	77.50	6.15
4	1 Nov. '60	...	72.00	74.50	6.02
*4½	2 July '45	...	86.00	88.00	6.35
†4½	1 Oct. '51	...	86.00	87.50	5.75
†4½	15 Mar. '60	...	82.00	84.00	5.75
5	1 Aug. '58	...	82.00	86.00	6.16
†5½	15 Nov. '46	...	86.00	90.00	6.89
5½	1 Oct. '52	...	85.00	87.00	6.85
6	15 Mar. '52	...	90.00	92.00	6.73

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ■Payable N.Y. ‡Exempt from Dominion income tax. ♦Callable on or after Sept. 15, 1966. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%.

Mining Stock Quotations

WEEK ENDED JANUARY 25

Par Val.	Range 1936-37 High	Low	Company	Sales	Close Jan. 18 (or last)	High for week	Low for week	Close Jan.25
1	.13½	.04	Afton	30,000	.07	.08	.06½	.07½
No	1.85	.88	Aldermac	83,030	1.70	1.71	1.57	1.59
1	.10	.01½	Alexandria	81,950	.04½	.04½	.03½	.04
No	.12½	.03½	Algoma	249,200	.05½	.09½	.05½	.08
No	7.50	4.10	Anglo-Huronian	6,219	6.70	7.40	6.50	7.40
1	1.75	1.00	Argosy	16,865	1.23	1.24	1.18	1.20
1	1.20	.65	Arntfield	34,515	.90	.96	.88	.94
No	.12	.03	Arno	23,000	.06½	.09	.06	.07
1	.31	.06½	Ashley	26,600	.09½	.11	.09	.11
1	.16½	.02½	Astoria Rouyn	1,399,300	.10½	.16½	.10½	.14
1	.11½	.05½	Bagamac	50,800	.06½	.07	.06½	.06½
1	2.15	1.40	Bankfield	98,338	1.54	1.85	1.50	1.70
1	.10	.01	Barry Hollinger	......	(.... bid .03 asked)			
1	.42	.14	Base Metals	40,750	.28	.30	.27	.27½
No	1.84	1.20	Beattie Gold	13,691	1.45	1.45	1.40	1.45
1	.59	.30	Beaufor	23,550	.50	.51	.48	.48
1	2.00	1.25	Bidgood Kirk.	32,777	1.51	1.64	1.50	1.53
1	.76	.46	Big Missouri	28,424	.65	.65	.61	.64
1	.36½	.13	Bobjo	35,050	.21	.23	.21	.22½
1	.70	.34	Bouscadillac G.M.	18,850	.50	.52	.46	.46
No	9.00	5.55	Bralorne	6,645	8.35	9.00	8.50	8.90
1	.40	.05	Brasil Gold	......	(.08 bid .10 asked)			
1	.20	.02	Brett Trethewey	77,200	.17½	.18½	.16	.16½
50c.	.25½	.07	B.R.X. Gold	2,700	.07	.09½	.09	.09½
1	.16	.07	Brownlee	133,600	.10	.12	.09½	.10½
1	12.25	3.80	Buffalo Ankerite	1,045	11.75	11.87	11.50	11.50
No	.13	.02	Buffalo Can.	88,800	.05½	.06½	.05½	.06
5	37.00	27.25	Bulolo Gold	2,517	28.00	28.00	27.50	28.00
No	.18	.06	Bunker Hill	9,275	.14	.13½	.13	.13½
No	2.15	.95½	Can. Marlartic	49,530	1.90	2.10	1.85	2.02
1	2.10	1.15	Cariboo Gold	1,720	1.75	1.70	1.60	1.60
1	.50	.02	Cartier Malartic	48,800	.38	.39	.34½	.35
1	1.69	1.18	Castle Trethewey	18,243	1.55	1.61	1.46	1.60
1	.58	.11½	Cen. Manitoba	36,540	.20	.21	.18	.18
1	4.90	2.41	Cen. Patricia	75,875	4.30	4.60	4.30	4.50
1	.59	.30	Cen. Porcupine	32,950	.33	.36	.33½	.34
No	2.46	1.10	Chromium	29,750	1.35	1.38	1.28	1.30
No	.09½	.03	Church M. & Mill.	25,000	.06	.06	.05	.05
No	.14	.03	Clericy	41,300	.07½	.08	.07½	.08
5	8.00	2.25	Coast Copper	1,045	6.65	6.60	6.25	6.25
1	.04	.01½	Cobalt Contact	53,000	.03	.03½	.02½	.02½
5	4.25	2.80	Coniagas	1,600	3.45	3.50	3.45	3.45
No	2.75	1.60	Coniaurum	23,234	2.05	2.14	1.97	2.00
1	3.38	1.10	Con. Chibougamau	52,260	2.43	2.47	2.22	2.22
25	81.25	51.00	Cons. Smelters	4,565	78.00	79.00	75.50	76.00
1	2.98	1.10	Darkwater	13,125	2.60	2.66	2.55	2.55
No	61.25	41.75	Dome Mines	3,300	49.75	50.00	49.00	49.87
1	.15	.04	Dom. Explorers	31,100	.10½	.10½	.08½	.09½
1	.57	.32	Dorval Siscoe	230,900	.44	.57	.43	.57
1	.10½	.04	Duparquet	34,100	.06½	.06½	.06	.06½
1	1.90	.52	East Malartic	200,445	1.47	1.90	1.45	1.80
1	2.70	.80	Eldorado	46,535	2.57	2.60	2.45	2.48
No	12.87	6.90	Falconbridge	5,585	11.75	11.75	11.25	11.50
1	.46	.03	Federal	1,533,560	.31	.46	.31	.41
No	2.24	.10	Francoeur Gold	89,705	1.25	1.41	1.25	1.34
1	.41	.19	Glenora	57,500	.24½	.26	.24	.24
No	1.45	.65	God's Lake	37,489	.98	.96	.88½	.90
1	.24	.09	Golconda	10,900	.12	.15	.10	.13
1	.52	.14½	Goldale	64,450	.45	.48	.42	.48
50c.	.54	.10	Gold Belt	10,200	.18	.20	.18	.20
1	.26½	.06	Goodfish	135,800	.13	.17	.12	.16½
1	.27	.03	Graham Bosquet	69,050	.18	.23	.18	.21
1	.40½	.17	Granada Gold	128,226	.27	.40½	.28	.37½
No	.18	.05½	Grandora	97,000	.09	.18	.08½	.12
1	.93	.21	Greene Stabell	162,500	.35	.46	.35	.40
1	.12	.04	Groselle	1,000	.12	.12	.11	.11
1	.17½	.08	Grull Wihksne	10,000	.17	.16½	.16½	.16½
1	1.25	.75	Gunnar Gold	23,920	1.15	1.18	1.12	1.18
1	.10½	.02	Halcrow Swayze	87,600	.03½	.05	.03½	.05
1	3.63	.30	Hard Rock	24,995	2.90	3.00	2.85	2.90
1	.35	.07	Harker	1,146,250	.22	.35	.22	.26
5	17.25	12.00	Hollinger	10,295	15.25	15.37	15.00	15.00
1	1.00	.55	Howey Gold	42,500	.61	.65	.60	.64
No	35.75	22.87	Hudson Bay	4,380	35.25	35.00	33.75	34.00
1	19.25	13.75	Inter. Mining	1,715	16.50	16.75	16.12	16.50
No	66.12	43.50	Int. Nickel	20,225	63.75	64.37	63.00	63.75
1	.80½	.28½	J. M. Cons. Gold	56,430	.45	.48	.43	.46
1	.75	.40	Kerr Lake	900	.60	.65	.65	.65
1	2.31	.30	Kirk Hud. Bay	3,580	2.10	2.10	1.98	2.00
1	1.35	.40	Kirkland Lake	109,618	1.26	1.31	1.24	1.26
1	.45	.03½	Kirk. Premier	13,850	.33	.33	.25	.25
1	.37	.14½	Kirk. Townsite	34,800	.32	.32	.30	.31½
1	1.05	.55	Laguna	7,300	.91	.92	.90	.90
No	.21	.03	Lake Maron	175,300	.05½	.08½	.05	.07½
1	62.75	51.75	Lake Shore	7,608	57.00	57.50	56.25	57.00
1	.47	.05	Lamaque Contact	120,850	.17	.17½	.14	.15
1	1.33	1.12	Lapa Cadillac	49,400	1.27	1.32	1.24	1.26
1	1.38	.70	Lava Cap	10,700	.78	.90	.83	.88
1	.29½	.12	Lebel Oro	277,357	.23	.27	.20	.27
1	.15	.02½	Lee Gold	56,040	.06½	.07	.06	.06½
No	8.25	5.70	Little Long Lac	10,005	7.35	8.25	7.35	8.25
1	8.60	3.12	Macassa	12,880	8.00	8.00	7.70	7.80
1	.07	.01½	Malrobic	70,700	.03½	.04	.03½	.03½
No	.69	.12	Mandy	5,646	.58	.60	.50	.51
No	.30	.05½	Man. & Eastern	280,750	.12½	.12½	.10	.10½
1	.60	.30	May Spiers	109,750	.31	.32	.25	.25½
5	49.25	38.00	McIntyre	4,353	40.50	41.25	40.62	40.87
1	2.24	1.22	McKenzie R.L.	84,650	1.88	2.03	1.84	1.85
1	.65	.45	McKinley	......	(.63 bid .... asked)			
No	5.40	3.50	McLeod Cockshutt	55,306	4.10	4.30	3.90	4.05
1	.20	.02	McMillan	176,475	.19	.19½	.16	.16
No	1.78	.71	McWatters	45,925	1.10	1.10	.90	.98
1	.42	.17	McVittie	83,600	.20	.27	.20	.22
5	2.50	.50	Mentor Exp. & Dev.	300	1.90	2.00	1.85	2.00
No	3.95	1.10	Mining Corp.	11,343	3.90	3.85	3.60	3.65
No	1.00	.07½	Minto Mines	15,900	.20	.22	.20	.22
1	.16½	.03	Moffatt Hall	17,200	.04	.04½	.03½	.04
1	.85	.51	Morris Kirk.	64,300	.69	.75	.69	.75
1	1.93	.06½	Moneta	34,095	1.65	1.70	1.63	1.63
1	2.05	.25	Montague	1,100	.45	.30	.30	.30
1	.09	.00½	Murphy	46,300	.07	.08	.06½	.06½
1	.88	.66	Naybob	20,300	.83	.80	.75	.75
No	.08½	.02	Newbec	90,500	.07	.07½	.06	.06½
1	1.49	1.00	New Golden Rose	12,875	1.35	1.38	1.25	1.25
1	.06½	.01½	Night Hawk Penn.	423,700	.03	.05	.03½	.04½
5	3.25	2.30	Nipissing	9,395	3.00	3.25	3.05	3.10
No	79.25	44.50	Noranda	9,312	78.50	78.75	75.50	75.50
No	.90	.23½	Nor. Canada	13,100	.75	.76	.72½	.75
1	.18	.08½	Norgold	78,100	.13	.14	.12	.13
1	14.12	.34	O'Brien	144,655	9.50	10.25	9.40	9.60
1	1.10	.40	Omega	28,782	.91	1.10	.86	1.10
1	.42	.07	Osisko	4,400	.27	.25	.22½	.23
No	5.20	3.10	Pamour	12,770	3.90	3.95	3.70	3.80
1	.48	.18	Parkhill	42,100	.22	.24	.21	.23
1	.46	.30	Paulore	63,050	.36	.38	.30½	.38
1	1.38	.50½	Paymaster	399,623	1.22	1.38	1.12	1.13
1	4.30	.65	Pend Oreille	29,520	3.70	3.75	3.40	3.40
1	2.51	1.12	Perron Gold	63,728	2.22	2.51	2.18	2.45
1	.04	.01½	Peterson Cobalt	91,800	.03	.03½	.02½	.02
1	8.80	3.95	Pickle Crow	30,853	8.50	8.80	8.40	8.80
1	12.00	4.95	Pioneer Gold B.C.	2,695	6.40	6.50	6.25	6.40
1	.15	.04	Porcupine Crown	63,900	.07	.07½	.07	.07½
1	1.85	.95	Powell Rouyn	27,525	1.63	1.72	1.61	1.63
1	4.55	1.80	Premier Gold	21,003	4.30	4.40	4.10	4.10
1	2.25	.21	Preston E. Dome	87,125	1.38	1.47	1.35	1.40
No	3.25	1.15	Prospectors Air's	1,500	1.30	1.40	1.22	1.25
1	1.40	.59	Quebec Gold	4,800	.78	.88	.70	.85
No	.48	.02	Quemont	5,740	.42	.40	.20	.24
1	5.87	1.43	Read Authier	10,586	5.75	5.75	5.55	5.60
1	2.55	.50	Red Lake	67,595	1.33	1.33	1.18	1.25
1	1.46	1.00	Reno Gold	20,485	1.21	1.23	1.20	1.20
1	.13½	.01	Ritchie	38,520	.08	.08½	.07½	.08½
1	.12½	.04	Robb Montbray	55,300	.11	.11½	.09½	.10
1	.76	.05½	Roche Long Lac	283,170	.42	.45	.42	.43
1	3.45	1.60	San Antonio	15,426	2.32	2.33	2.15	2.20
1	1.16	.75	Shawkey	53,100	.81	.83	.80	.82
50c.	.97	.56	Sheep Creek	11,700	.72	.70	.65	.65
1	3.60	1.00	Sherritt Gordon	131,880	3.25	3.30	2.75	3.05
1	6.65	2.87	Siscoe	72,480	6.60	6.65	6.10	6.15
1	2.39	.42½	Sladen Malartic	157,480	1.94	2.39	1.92	2.38
No	.08½	.02½	South Tiblemont	89,596	.04	.05½	.04	.05
No	1.50	.18½	Stadacona	501,433	1.16	1.50	1.15	1.44
1	.38½	.15	St. Anthony	165,300	.25	.30	.25	.30
No	6.40	3.00	Sudbury Basin	4,965	6.10	6.20	5.75	5.80
1	.47	.06	Sudbury Contact	37,300	.38	.40	.36	.37
1	.07½	.02½	Sudbury Mines	75,500	.04	.04	.03½	.03½
1	2.50	.83	Sullivan Cons.	39,606	2.20	2.21	2.10	2.12
1	4.50	2.25	Sylvanite	25,035	4.10	4.50	4.05	4.40
1	.68	.12	Tashota	77,533	.19	.21	.18	.21
1	6.70	4.30	Teck Hughes	11,834	5.65	5.70	5.50	5.60
1	2.87	.37½	Thomp. Cadillac	185,016	1.56	1.85	1.53	1.72
1	.31	.02	Timiskaming	114,288	.26	.31	.25	.28
1	4.60	1.20	Toburn Gold	4,020	4.25	4.35	4.10	4.15
1	1.65	.20	Towagmac	48,300	1.50	1.60	1.47	1.48
1	.80	.20	Treadwell	500	.75	.75	.75	.75
No	3.19	1.60	Ventures	21,085	3.00	3.05	2.90	2.90
No	4.10	1.00	Waite Amulet	24,037	3.60	3.60	3.20	3.40
50c	.21	.05½	Wayside	43,300	.05½	.07	.05½	.06
No	.06	.02½	White Eagle	103,600	.03½	.05	.03½	.04
1	.16	.03	Wiltsey Coughlan	143,575	.15½	.15	.11½	.13½
1	.58	.45	Wood Cadillac	56,250	.50	.55	.50	.52½
No	9.00	7.15	Wright-Hargreaves	17,552	7.95	8.10	7.80	7.90
No	.71	.30	Ymir Girl	4,800	.36	.37	.36	.37
			OIL STOCKS					
No	.20	.09½	Acme Gas & Oil	11,500	.15	.20	.14	.19
1	.70	.40	Ajax	16,450	.50	.57	.48	.56
No	3.70	.70	Calgary & Ed.	79,160	3.20	3.70	3.10	3.65
1	.90	.05	Calmont	66,195	.65	.90	.68½	.83
No	.49	.04½	Common Pete	22,700	.38	.49	.40	.47
No	2.85	.36	Dalhousie	222,577	1.80	2.85	1.85	2.75
No	.25	.06	Eastcrest	214,745	.12½	.25	.13	.22
No	2.90	.30	Foothills	13,030	2.70	2.90	2.50	2.65
No	.35	.10	High Sarcee	89,850	.20	.35	.21	.31
No	4.00	.70	Home	89,850	3.09	4.00	3.10	3.95
1	.87	.11	Homestead O.&G.	55,125	.80	.77½	.70	.73
No	.95	.60	Hunter Valley	......	(.67 bid .70 asked)			
...	.23½	.14½	Do. warrants	......	(.15 Dec. 24)			
No	.68	.07	Lowery	21,600	.53	.68	.55	.68
No	.26	.10	Merland	215,000	.15	.26	.16	.23
1	.70	.45	Model	20,400	.50	.70	.55	.70
5	.45	.10	Nordon	472,755	.22	.45	.21	.38
No	.12	.03	Oil Selections	260,900	.05½	.12	.05½	.09
No	.15	.06	Olga Gas & Oil	289,100	.11½	.12	.09½	.11½
No	.23	.13	Pacalta	335,250	.14	.23	.14½	.22
1	.80	.52	Petrol Oil & Gas	600	.68	.68	.68	.68
No	50.50	26.00	Royalite	7,645	44.00	50.00	45.00	49.75
No	.85	.04	South West Pete.	13,750	.80	.85	.70	.80
No	2.50	1.45	Texas Can.	30,100	2.10	2.15	2.00	2.10

VANCOUVER STOCK EXCHANGE

Par Val.	Range 1936-37 High	Low	Company	Sales	Close Jan. 18 (or last)	High for week	Low for week	Close Jan.25
1	.09	.01½	Alexander	......	(.... bid .04 asked)			
25c	.01½	.00½	Bayview	53,500	.00½	.01½	.01	.01½
20c	.05	.01½	Beaver Silver	24,000	.02½	.03½	.02½	.03
1	.76	.46	Big Missouri	11,760	.65	.65	.62	.62
25c	.04½	.01	Bluebird	19,800	.04½	.04	.03½	.04
No	9.90	5.60	Bralorne	5,877	8.30	9.90	8.75	8.85
1	.10	.03	Bridge River Cons.	6,300	.05	.06	.05	.05½
50c	.25½	.08	B.R.X. Gold	11,100	.10	.10	.09½	.09½
50c	.18	.09	B.R.Mountain Gold	2,000	.13	.12	.12	.12
1	.54	.17½	B.C. Nickel	17,500	.30	.29	.27	.27
1	3.50	1.50	B.C. Silver	2,298	3.05	3.50	3.15	3.50
50c	.12½	.03½	Canadian Rand	7,000	.03½	.04	.03½	.03½
1	2.05	1.15	Cariboo Gold	2,110	1.73	1.75	1.62	1.75
1	.30	.06½	Congress Gold	30,000	.11½	.11½	.11	.11½
25c	.01½	.00½	Cork Province	4,000	.01½	.01½	.01½	.01½
1	.06	.02	Cotton Belt	2,000	.04½	.04½	.04½	.04½
1	.03½	.01	Dalhousie Mines	4,500	.01½	.01½	.01	.01½
No	.36	.10½	Dentonia	17,900	.14	.14½	.14	.14½
No	.08½	.01½	Dictator	18,000	.04½	.04½	.03½	.03½
1	.07	.02	Dunwell	2,150	.04½	.04½	.03	.04½
No	.18	.03	Fairview Amal.	61,654	.12	.14	.12	.12
50c	.80	.35	Fawn Mining	3,000	.64	.64	.63	.64
1	.18½	.02½	Federal Gold	21,300	.04	.04½	.03½	.04½
1	.80	.15	George Copper	1,665	.70	.65	.60	.65
50c	.08½	.02	George Enterprise	......	(.03½ bid .04 asked)			
1	.05	.01	Georgia River	217,400	.04	.04½	.03½	.03½
50c	.02½	.01	Glacier Creek	4,000	.01½	.01½	.01½	.01½
1	.24	.09	Golconda	11,000	.13	.13½	.12	.12
50c	.54	.08	Gold Belt	30,435	.19	.21	.14	.21
50c	.45	.05	Gold Mountain	79,600	.32	.39	.30	.35½
50c	.16	.02	Grandview	35,800	.14	.14½	.13	.13
No	.07½	.01½	Grange Mines	30,500	.02½	.02½	.02½	.02½
1	.18	.07	Grull Wihksne	64,400	.16	.17	.15½	.16
No	.05½	.00½	Haida Gold	78,000	.02½	.02½	.00½	.01½
50c	.50	.12	Hedley Amal.	226,201	.36	.50	.36	.49½
No	.12	.03	Hedley Sterling	239,500	.08½	.10	.08½	.09½
No	.08	.02	Home Gold	15,700	.03	.03	.02½	.03
1	.03½	.00½	Independence	15,700	.02½	.03	.02½	.02½
1	.03½	.01½	Indian Mines	2,000	.03	.02½	.02½	.02½
50c	1.82	.95	Island Mountain	4,700	1.07	1.10	1.05	1.10
1	.24½	.18	Inter'tl Coal	600	.21	.22	.22	.22
50c	.10½	.04½	Inter'tl Gold	4,500	.06	.06½	.06	.06
50c	.93	.30	Kootenay Belle	3,400	.83	.84	.83	.83
20c	.03½	.00½	Koot. Florence	52,060	.02½	.02½	.02	.02½
1	.01½	.00½	Lakeview	7,000	.01½	.01½	.01	.01
10c	.11½	.01	Lucky Jim	71,300	.09½	.09½	.08	.08½
No	.14½	.02½	Mak Siccar	17,000	.06½	.07½	.06½	.06½
1	.20	.12	McGillivray Creek	......	(.19 bid .20 asked)			
50c	.14½	.02	Meridian Min.	6,000	.03½	.04½	.03½	.04
No	.94	.07	Minto Mines	38,650	.20½	.22½	.20	.22
50c	.05	.01½	Morning Star	61,200	.04	.04	.03½	.03½
1	.03½	.00½	Morton Woolsey	99,875	.01½	.03½	.02	.03
50c	.22½	.07½	Nicola	65,900	.13	.13½	.10½	.12½
50c	.14½	.02	Noble Five	135,650	.11½	.11½	.10	.10½
1	4.15	.65	Pend Oreille	3,530	3.65	3.70	3.40	3.45
No	.09	.02	Pilot Gold	17,200	.05½	.05½	.05	.05½
1	11.85	5.05	Pioneer Gold	1,620	6.40	6.50	6.30	6.30
50c	.15	.04	Porter Idaho	5,600	.10½	.11	.10	.10
No	.05½	.00½	Premier Border	92,000	.03½	.03½	.03½	.03½
1	4.80	1.80	Premier Gold	4,650	4.30	4.40	4.20	4.20
1	.05½	.01	Quatsino Copper	3,700	.04½	.04½	.04	.04
25c	.16	.05	Quesnelle Quartz	17,400	.15	.16	.14	.16
No	1.00	.05	Reeves McDonald	21,890	.85	.90	.85	.90
1c	.09½	.02	Reliance	13,500	.03½	.04	.03½	.04
1c	.50	.26	Relief Arlington	15,100	.34	.33	.32	.32
1	1.50	1.00	Reno Gold	4,800	1.19	1.21	1.17	1.18
1	.15	.02	Reward Mining	384,150	.06½	.10½	.06½	.10
1	.05	.00½	Rufus Argenta	43,000	.03½	.04	.03½	.04
1	.06	.01	Ruth Hope	5,500	.05	.05	.04	.05
1	.15	.07	Sally Mines	500	.10	.11	.11	.11
50c	.13½	.07½	Salmon Gold	15,500	.10½	.10½	.09½	.10½
50c	.97	.55	Sheep Creek	8,900	.73	.73	.61	.64
1	3.20	2.50	Sihak Premier	100	3.10	3.20	3.20	3.20
No	.08½	.03	Silvercrest	53,000	.05	.08½	.05	.08½
20c	.04½	.01	Silversmith	68,050	.04½	.04½	.04	.04½
50c	.02½	.00½	Snowflake	26,550	.01½	.01½	.01½	.01½
10c	24.25	16.50	Sunshine	......	(20.25 Dec. 21)			
No	.24	.06½	Taylor Bridge	4,000	.08	.08	.07½	.08
1	.27	.07	Taylor Windfall	100	.10	.10	.10	.10
50c	.05½	.00½	United Empire	673,500	.00½	.02½	.00½	.02½
No	1.88	.65	Vidette Gold	3,600	1.04	1.04	.92	.95
No	.08½	.00½	Viking Gold	93,500	.04½	.04½	.04	.04½
No	.06½	.01	Waterloo Gold	22,200	.02	.02½	.02	.02½
50c	.02½	.00½	Waverley Tangier	444,200	.01½	.02½	.01½	.02½
50c	.20½	.05½	Wayside	9,000	.06	.06	.05½	.06
20c	.08	.01	Wellington	64,700	.06½	.08	.06½	.07½
50c	.35	.19	Wesko	65,400	.33½	.35	.32	.33
1	.24	.02½	Whitewater	75,800	.20½	.23½	.20	.21
No	.69	.34	Ymir Yankee Girl	1,500	.35	.35	.34	.35
			OIL STOCKS					
1	.75	.09	Alta. Pac. Cons.	95,718	.41½	.75	.41	.59
1	.15	.04	Amalgamated	23,100	.08	.09	.07	.08½
1	.23	.02½	Anaconda	172,900	.11	.23	.11½	.20
No	.45	.02	Associated	13,300	.16	.45	.17	.20
No	.14	.02	Baltac	82,350	.08	.14	.08½	.13
1	.43	.09½	Brit. Dominion	23,100	.25½	.29	.23½	.26
No	3.65	.79	Calgary & Ed.	15,445	3.15	3.65	3.15	3.65
1	.52	.04½	Commonwealth	26,450	.41	.52	.40	.45
1	.85	.05	Calmont	38,963	.66	.85	.67	.85
1	.17	.04½	Crow's Nest	13,000	.09	.09	.08	.08½
No	2.80	.36	Dalhousie	22,102	1.87	2.80	1.95	2.80
No	.20	.03	Devenish	50,615	.07	.20	.07½	.19
No	.26	.04½	Freehold	187,200	.15½	.26	.15	.22
No	.31	.04	Hargal	16,550	.16	.31	.17	.26
No	.34	.09½	High Sarcee	59,302	.21	.34	.22	.32
No	4.10	.70	Home Oil	16,085	3.06	4.10	3.10	4.00
No	.64	.07	Lowery Pete.	5,000	.52	.64	.60	.62
No	.12	.01	Madison	144,800	.07	.12	.07½	.10½
No	.25	.11½	Marjon Oil	33,500	.16	.22	.18	.20
No	.37	.05	McD. Segur Ex.	102,035	.29	.37	.29	.33½
1	.75	.20	McLeod	3,000	.67	.75	.67	.75
No	.36	.10½	Mercury	152,450	.28	.36	.27½	.34½
No	.26	.09	Merland	38,950	.16	.26	.16	.24
No	.32½	.08	Mill City Pete	12,300	.27	.32½	.28	.30
1	.70	.20	Model	32,060	.52½	.70	.55	.67
5	.40	.10	Nordon	50,485	.22	.40	.23	.36½
No	1.60	.04	Okalta	75,150	1.02	1.60	1.08	1.52
No	.22	.04½	Pacalta Oil	165,750	.15	.22	.15½	.21½
1	1.00	.34	Ranchmen's	20,403	.75	1.00	.72	.94
No	50.00	26.25	Royalite	527	45.25	50.00	48.00	49.25
No	.85	.04	Southwest Pete.	16,700	.80	.85	.72	.85
1	.49	.09	Spooner	17,425	.26	.49	.28	.49
No	.37	.05	United	52,770	.34	.37	.30	.33
No	.19	.04½	Vanalta	113,000	.13½	.19	.14	.16½
1	1.55	.10	Vulcan	19,790	1.22	1.55	1.20	1.52

Corporation Bonds

Supplied by Toronto Bond Traders' Association

Jan. 26, 1937

Public Utility Issues:	Int. Rate %	Due	Bid	Asked Jan. 26	Bid Jan. 19
*Ass. Tel. & Tel.	5½	'55	86½	89½	86
Beauharnois P.	5	'73	56	59	60½
†B. C. Power	4½	'60	99½	102½	99½
†B. C. 'Phone	4½	'61	103½	106½	105½
*Calgary Pwr.	5	'60	96½	99½	95½
†Can. Nor. Pwr.	5	'53	102½	105½	102½
*Dom. Gas & El.	6½	'45	95½	98½	95½
*Gatineau Pwr.	5	'56	103	106	103
*Do., A	6	'41	101½	104½	100½
*Do., B	6	'41	101½	104½	100
*Inter. Hydro-E.	6	'44	81½	84½	85
*Inter. Power	6	'57	98½	101½	98
†Maclaren-Que. Power	5½	'61	96½	99½	97½
†Do.	5½	'64	95½	98½	96
†Mtl. Island Pr.	5½	'57	104	107	103½
†Mtl. L. H. & Pr.	3½	'56	101½	104½	102
†Mtl. Tramways	5	'41	103½	106½	103½
†Do.	5	'55	84½	87½	84
Nfld. L. & P.	4½	'56	100½	103½	100½
Nat'l L. & P.	6	'49	96½	99½	96
†N. S. L. & Pr.	5	'58	...	...	103
Do.	5	'65	...	...	102
†Ot'wa L.H.&P.	5	'57	104	107	104
†Ottawa Tract.	5½	'55	102	105	102
†Ottawa V. Pwr.	5½	'70	85½	88½	90
†Power Corp.	4½	'59	100½	103½	100
*Quebec Pwr.	5	'68	103	106	103
Saguenay Pwr.	4½	'66	104½	107½	104½
†Shaw. W. & Pr.	4	'61	100	103	100
†Do.	4½	'70	104	107	104
†South. Can. Pr.	5	'55	102½	105½	102½
†United Secs.	5½	'52	80½	83½	80
*Winnipeg Elec.	4½	'60	104½	107½	104½
*Do., A	4	'65	83	86	83½
*Do., B	4	'65	76	79	76½
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	92½	95½	93½
Acadia Sugar	4½	'55	100½	103½	100½
†Alta. Pac. Gr.	6	'46	97	100	96½
Asbestos Corp.	5	'42	110	113	110
B. A. Oil	4	'45	103	106	103
Canada Bread.	6½	'41	109	112	109
†Can. Cement	4½	'51	104	107	104
†Can. Steamship	6	'41	71	74	69½
Can. Canners	4	'51	100	103	100
Can. Bakeries	6½	'45	99	...	99
*Can. Inter. P.	6	'49	101	104	100½
C. P. R.	3½	'51	103½	106½	104
Do.	4	'49	106½	109½	106½
Do.	4½	'44	102	105	102
Do.	4 Perp.		98½	99½	98½
†Can. Vickers	6	'47	100	103	100
†Consol. Paper	5½	'61	83½	86½	84½
*Dominion Coal.	6	'55	100	103	100
Dom. Sq. Corp.	6	'48	74	...	68½
‡Dom. Stl. & C.	6½	'55	95	98	95½
†Dominion Tar	4½	'51	102½	105½	102½
Dom. Textile	4½	'55	...	...	106
†Donnacona P. 3-4-4½		'56	87½	90½	87½
†Eastern Dairies	6	'49	86½	89½	86½
†Famous Play.	4½	'51	100½	103½	100
†Federal Grain.	6	'49	100½	103½	99½
†Fraser Cos.	6	'50	102	105	102
†Gen. Steel W.	6	'52	104	107	104
*Gt. Lakes Pap.	5	'55	92½	95½	93½
†Gypsum L.&A.	5½	'48	102½	105½	102½
†Gr. Br. & Can. Invest.	4½	'59	86	89	85½
Hamilton Cot.	5½	'48	103	106	103
*Ham. By-Prod. Coke	5	'55	101½	104½	101½
*Hinde & Dauch	5½	'48	103½	106½	103½
†Inter. Paper	6	'55	100	103	99½
†Inter. P. & P. Nfld.	5	'68	103½	106½	103½
Inter City Bak.	5½	'48	103½	106½	103½
Inter-City West. Bakeries	6½	'50	62½	66½	64
†Kingston Elev.	6	'50	98½	101½	...
†Lake St. John P. & P.	5½	'61	...	...	100½
†Lond. Can. Inv.	4½	'48	94	97	94
†Maple L. Mill.	5½	'49	88½	91½	85½
†Massey-Harris.	5	'47	97	100	97½
†McColl-Front.	6	'49	104½	107	104
†Mercury Mills.	5½	'53	90	93	89
†Mersey Paper	6	'49	99	...	99
*Minn. & O. P.	6	'45	69½	72½	70
Mtl. Dry Docks	6	'48	93	96	93½
Nat'l Grocers.	4	'36-'47	101	...	101
†N. A. Elevators	6	'50	97½	100½	97½
Nor. Ont. Bldg.	6½	'39	98	...	97½
*Prov. Paper	5½	'47	102	105	102
Queen's Hotel.	6	'47	98½	101½	98
*Reliance Grain	4½	'52	99	102	..
†Restigouche Co.	6	'48	110½	113½	110½
Rich. Bay Bldg.	6½	'47	101	104	100½
†Riordon P. & P.	6	'42	104	...	104
†Rolland Paper.	4½	'51	103	106	103
Ruddy & Co.	6½	'48	99½	102½	99½
†Smith, Howard	4½	'51	102½	105½	102
*Spruce Falls P.	5½	'42	101	104	101
†Steel of Can.	6	'40	112½	115½	112½
Sterling Coal	6	'40	90	...	90
Stop & Shop	6	'47	73½	77½	73
Twin City	5½	'52	93	96	93
United Amuse.	5	'56	99	102	99
United Corp.	5	'53	98	...	98
Unit. Grain Gr.	5	'48	96½	99½	96
Do.	5½	'49	99	102	99
Union Gas	4½	'43-'50	98½	101½	98½
‡Wabasso Cotton	4½	'51	97	100	97
†Western Grain.	6	'49	79	...	78
Windsor Hotel.	6½	'43	78	...	70½
Zimmerknit	6	'51	100	103	100

‡Payable in Canada or U. K. †Payable in Can., U. S. or U.K. *Payable in Can. or U. S.

Unlisted Mines

Jan. 26, 1937

	Bid	Asked
Admiral	36	38
Amos Cadillac	27	30
Albany River	89	90
Algold	59	61
Algoma Summit	2.10	2.30
Arno	6	7
Athona	33	35
Arrowhead	47	48
Area	8	9
Bailor	10	11
Bathurst, new	4	5
B. E. A. R.	30	33
BidL'Aque	37	40
Big Long Lac	5½	6½
Bilmac	20	23
Black G.	41	43
Blue Star	..	25
Beresford L.	..	45
Big Master	27	29
Brengold	17	20
Bousquet	8½	10
Cal. Flin Flon	10	12
Can. Pandora	14	16
Can. Kirkland	4½	5
Candalaca	36	38
Cal Bousquet	43	45
Casey Summit	24	..
Casey Contact	3	4
Centrecour	27	30
Colonial	42	45
Coin Lake	19	22
Condor	7	8
Con. Kirkland	58	63
Cres. Kirkland	24	27
Coulson C.	33	35
Cuniptau	11	12
Darwin	28	32
Demp Cadillac	34	37
Den Nic	32	35
Derlak	17	19
Desant N.	82	85
Dean Cadillac	3¾	4¼
Don Mar.	31	33
Doreva	81	82
Dunlop N.	22	24
Electra P.	47	50
Empress Cons.	38	40
Eva Lake	17	19
Faulkenham	..	38
Forty Four	..	225
Franklin	3¾	4¼
Frontier	19	21
Garnet	7	8
Gate Patricia	13	16
Gilbec	5½	6½
Gillies Lake	63	65
Goldside	10	11
Gold Eagle	70	75
Gold Gate	50	52
Gordon Lebel	..	17
Hayes Cadillac	16	18
Holtyrex	5½	6
Horseshoe	10	12
Hud. Patricia	11	13
Hutchinson Lake	32	35
Jellicoe	100	105
John Nipigon	6¾	7¼
Kaw Crow	23	26
Kenecho	15	17
Kenricia	1.00	1.05
Keora	5½	6½
Kerr Addison	2.75	2.80
Kew'Gama	60	65
King Kirk.	7½	8
Kirgood	30	32
Kirk. Goldbelt	16	19
Kirk. Gate	20	23
Kirk. King	30	33
LaFayette	5	6
L. Geneva	48	51
Lamaque	8.50	9.00
Leitch	1.15	1.20
Madsen	1.50	1.54
Magnet	28	30
Malartic Gold	54	58
M. McNeilly	6	7
Martin Bird	74	76
Margaret	60	63
Maritime	42	45
Manitoba Basin	4½	5½
Matachewan Can.	19	21
Matona	38	41
Moffatt N.	9	10

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

January 26, 1937

Industrial Stocks:	Bid	Asked
Acadia Sugar pfd.	5.10	5.30
Acme Farmers Dairy pfd.	42.00	...
Algoma Steel com.	20.00	21.50
Andian National	49.00	50.00
Assoc. Tel. & Tel. pfd.	52.00	54.00
B. C. Pulp & Paper pfd.	27.00	...
Do., com.	9.50	10.50
Burns & Co. A	13.00	14.00
Do., B	7.00	7.50
Can. Steam. new com.	6.75	7.25
Do., new pfd.	16.75	18.00
Can. Tube & Steel 1st pfd.	76.00	...
Do., 2nd pfd.	20.00	...
Can. Airways	10.25	11.00
Can. Industries A com.	243.00	...
Do., pfd.	164.00	165.50
Can. Ingersoll Rand	128.00	132.00
Can. Westinghouse	66.00	70.00
Chase, A. W. pfd. bonus	28.00	...
Claude Neon Gen. Adv. pfd.	10.00	11.50
Do., com.	.80	1.00
Conduits Nat. com.	6.00	6.50
Dom. Found. & Steel com.	113.00	118.00
Do., pfd.	97.00	100.00
Dominion Woollens com.	1.00	2.00
Dunlop Tire pfd.	82.00	84.00
Federal Grain com.	5.00	5.45
Do., pfd.	52.50	54.00
Goderich Elevator	8.00	9.50
Great Lakes Paper com.	15.00	15.75
Do., pfd.	35.75	37.00
Greening Wire pfd.	105.00	110.00
Guelph Carpet pfd.	106.00	108.50
Do., com.	23.00	25.00
Hayes Steel Prod. com.	8.00	10.00
Do., pfd.	8.00	9.25
Highland Dairy com.	3.00	4.00
Do., pfd.	80.00	85.00
Inter City Bak. com.	37.00	39.00
McCormick's com.	1.25	3.00
Mercury Mills com.	.80	...
Morrison Brass pfd.	5.00	...
Mount Royal Hotel pfd.	2.00	3.00
N. Method Laund. pf. bonus	85.00	...
Perfection Pete. pfd.	22.00	25.00
Provincial Paper pfd.	106.00	107.50
Reliance Grain pfd.	98.00	99.50
Robinson Consol. Cone	9.00	9.70
Ruddy, E. L. pfd.	41.00	43.00
Seal O Sac (Can.)	24.00	28.00
Standard Fuel com.	9.50	10.50
Do., pfd.	106.00	108.00
Supert. Petroleum B pfd.	27.00	28.00
United Steel A pfd.	13.00	14.50
Western Grain pfd. bonus	17.00	...
Wings Ltd.	2.25	2.45
Trust and Loan Stocks:		
Chartered Trust	90.00	...
Commercial Finance com.	2.60	2.90
Guelph Ont. Inv. par $50	49.00	52.00
London & Western Trust	53.00	56.00
Sterling Trust	36.00	...
Traders Fin. B pfd. bonus.	90.00	...
Trusts & Guarantee	31.00	32.50
Insurance Stocks:		
Canada Life	530.00	545.00
Canadian Fire	78.00	...
Canadian Ins. Shares	12.00	...
Confederation Life 20% pd.	113.00	115.00
Dominion Fire	135.00	...
Dom. of Can. Gen.	125.00	...
Empire Life 25% pd.	7.75	8.50
Excelsior Life 30% pd.	70.00	73.00
Federal Fire 25% pd.	43.00	...
Fidelity Ins. of Can.	49.00	...
Great West Life	....	365.00
Guar. of N.A. fully paid	290.00	310.00
Halifax Fire	22.00	23.00
Imperial Life	370.00	...
Manufacturers Life	240.00	255.00
Monarch Life 10% pd.	19.00	21.50
Sovereign Life 25% pd.	16.00	19.00
Sun Life	975.00	1000.00
Toronto General	5.75	6.25
Western Assurance com.	49.00	51.00
Theatre Stocks:		
Allens Beach pfd.	71.00	75.00
Do., Kingston pfd.	70.00	...
Do., Parkdale pfd.	75.00	...
Do., Toronto pfd. bonus c.	34.00	38.00
Loew's Buffalo pfd.	4.00	...
Do., London pfd.	3.00	3.50
Do., Toronto pfd.	117.00	...
Mansfield Theatre pfd.	39.00	41.00
Paramount Kitchener pfd.	55.00	...
Do., Oshawa pfd.	90.00	94.00
Investment Trust Shares:		
Can. Gen. Invest.	10.75	11.00
Can. Int. Inv. Trust Units.	106.00	...
Can. Investors	9.75	10.50
Cons. Div. Stand. Sec. Units	19.00	20.00
Corporate Investors	8.00	8.50
Dom. Scott. Invest. Units	45.00	47.50
Inevstment Found. Units	65.00	67.00
Lond. Can. Invest. com.	3.00	5.00
Do., pfd.	52.00	...
Sec. Holding Corp. Units	24.00	25.00
United Corpns. A	28.50	30.00
Do., B	29.00	30.00
Power Issues:		
Can. West. Nat. Gas pfd.	91.00	92.50
Do., com.	24.00	26.00
Great Lakes Power pfd.	99.00	101.00
Inter. Util. 1.75 pfd.	14.50	16.50
Montreal Island Pwr. pfd.	16.00	...
Nor. Ont. Power pfd.	103.00	105.00

Winnipeg Stocks

(Transactions from Jan. 18 to Jan. 23)

	Sales	High for period	Low for period	Close Jan. 23
Can. Airways	10	10.00	10.00	10.00
Ballor Gold	1,000	.08	.08	.08
Cres. Cream. pf.	19	40.00	37.00	37.00
Cons. Goldfields	2,500	.30	.29	.30
Cryderman	3,000	.04	.03½	.03½
Flin Flon	23,950	.17	.15	.16
Geneva	600	.75	.56	.75
Gt. Falls M.	16,100	.31	.25	.25
Gold Lake	15,349	.05	.04	.04
Gurney Gold	7,800	.52	.49½	.52
Island Lake	17,550	.05	.04	.04
Kingfisher	5,000	.02	.01½	.02
Optic Lake	100	1.00	1.00	1.00
Ore Grande	6,700	.14½	.14	.14
Monarch Life	100	21.00	21.00	21.00
Marvel Oils	6,000	.10	.07	.07
Packsack	10,400	.32	.28	.30
Sachigo	440	20.50	19.00	20.00
Traders Bldg.	25	95.00	95.00	95.00
Vanson Man.	7,066	.02	.01½	.02
Wpg. R. Tin.	5,000	.02	.01½	.02
Wallace Lake	7,000	.04	.03½	.04
Wylie Dom.	7,200	.45	.39	.45
Wingold	9,000	.05½	.05½	.05½
West. Brew.	20	1.25	1.25	1.25
West. Steel pf.	58	7.00	7.00	7.00

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Ins.	..	100
Can. Indemnity	125	..
Comm. Securities	..	10
Home Invest.	19	..
Northern Mtge., part pd.	..	3¼
North. Can. Mtge., pf.	4	..
Northern Trust	..	8
United Grain	10	10¼

*Stocks more active on other exchanges not included.

UNLISTED MINES—(Continued)

	Bid	Asked
MacFarlane	8¾	9
McCarthy Webb	48	51
McV. Kirkland	16½	17½
Mooshla	84	86
Monarch	40	42
Mosher	47	50
Murmac	7	9
Normet's	1.70	1.85
N. Shores	5½	6
Oklend	66	68
O'Diamond	43	45
O'Leary	19	20½
Opemiska Cop.	..	30
Oriole	9	10
Ossian	..	10
Pan. Cad.	90	95
Par. Malartic	31	33
Pascalis	60	63
P. Rouyn	20	23
Porcupine McNab	23	25
Porc. G. R.	2	3
Porc. Unit	12	14
Phoenix Molib.	57	60
Porc. Tri.	18	20
Porcupine Lake	47	51
Porquin	..	18
Prop'tary	2.25	2.35
Queensboro	21	23
Red Crest	150	160
Rajah	26	29
Richmac	41	43
Roeanor	29	32
Rouyn Reward	12	13
Rubec	9	10
Sand River	51	55
Schreiber	14	16
Shenango	30	33
Silver Val.	15	17
Skookum	19	21
Siscoe Ex.	49	52
Slave Lake	3.50	3.70
Smelter	10½	11½
Spooner	28	31
Sturgeon River	41	45
Springer Sturgeon	17	19
Tonawan	7½	8½
Up. Canada	51	54
Valloc	11	13
Wesley	40	44
Wascanna	25	28
Westside	8	9
W. Red Lake	7½	8½
White Horse	26	29
Wendigo	40	43
Winoga	40	44
Young Davidson	20	21½
Young Shannon	17	20
Ypres Cad.	38	..

Week in Wheat

Little Share for Canada Of Big World Shipment

Argentine Pours Wheat Into Europe But Market Appears To Be Absorbing Huge Supplies Without Much Weakening

From Our Own Correspondent

WINNIPEG.—World shipments of nearly 17 million bushels last week were the highest in over four years. Total was 60% above the corresponding period a year ago. But while Canada was the major contributor 12 months ago, this year the Dominion supplied but a quarter of that total. Shipments afloat to Europe are probably double the 27 million reported a year ago.

Translated these figures may be read in various ways. They might indicate serious world needs for wheat, or abundance of supplies for the near future, or a minimum use of Canadian wheat by millers overseas. The statistical position for the end of the crop year, however, still looks strong. But the immediate outlook appears bullish on only one theory, that if the market can stand up as it has under present conditions, it should do better when the Argentine selling pressure is relaxed.

Canadian Premium

SOME export sales of Canadian wheat continue to be made every day, but probably less than the total shipments, a portion of which is being made in completion of bookings earlier made.

The current high premium of Canadian over Argentine prices continues to excite discussion. There is much argument to the effect that we have left in Canada only about enough wheat to supply minimum mixing requirements overseas for the next six months. But there is also uneasiness lest some business is being lost to the Argentine that otherwise might be done, and that Canada may be left with a carry-over higher than desired at the end of the crop year.

* * *

Big Argentine Exports

HUGE shipments of Argentine wheat constituted one of the principal factors weakening world wheat recently. An all-time record was made with shipments just short of eight million bushels. Such a rate and the consequent building up of supplies afloat, relieves any overseas anxiety for supplies in the immediate future.

Argentine's willingness to sell rapidly is easily understood. The country has harvested a crop of more than average yield per acre, although the limited acreage seeded kept down the total to about 250 million bushels, a quantity that would mean a small crop for western Canada. The price, even at some 25 cents a bushel below the level prevailing for Canadian wheat, seems to be considered highly satisfactory.

Argentina has profited largely in the past by selling heavily at times when Canadian prices were being maintained at higher levels, and can see no reason for reversing former policies. In addition, Argentine tradition is all in favor of disposing of the major portion of the wheat crop during the first half of the calendar year.

Of course, when the present programme of terminal elevator building in that country is completed, this immediate selling policy may be modified.

* * *

Undertone Strong

THE heavy shipments in question would have weakened the market more than has actually been the case, except for the belief that much of the wheat in question has already been firmly sold to Italy, whose needs for the season are heavy. There is also a strong belief that Germany will shortly have to absorb a lot of imported wheat, although the question of how Germany is to pay remains unsettled.

The longer view for wheat remains practically unchanged despite these big Southern Hemisphere exports. According to the Bureau of Agricultural Economics in Washington, world supplies, exclusive of Russia and China, are about 375 million bushels short of a year ago. Larger crops in the Southern Hemisphere and heavier supplies in the Danubian countries, it is believed, cannot make up the deficiency.

"This makes it quite plain," comments a recent Uhlmann letter, "that the exporting world will likely find a good outlet for its surplus."

As further proof of eventual strength, the strong position of rye, the only competitive bread cereal with wheat, is stressed. Recent crops of this grain have been unusually short, especially in Germany and Poland.

* * *

Australia Selling

OF THE Australian shipments made last week it was encouraging to note that over a million bushels were consigned to non-European destinations. Australia is expecting to do a heavy business with the Orient this year. To some extent that is dependent upon her commercial relations with Japan.

DIVIDEND NOTICES

BANK OF MONTREAL

Established 1817

DIVIDEND NO. 296

NOTICE is hereby given that a DIVIDEND of TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after MONDAY, the FIRST day of MARCH next, to Shareholders of record at close of business on 30th January, 1937.

By Order of the Board

JACKSON DODDS G. W. SPINNEY
General Manager General Manager

Montreal, 19th January, 1937.

The Canadian Bank of Commerce

DIVIDEND No. 200

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 28th February, 1937, and that the same will be payable at the Bank and its Branches on and after Monday, 1st March next, to shareholders of record at the close of business on the 30th January, 1937. The Transfer Books will not be closed.

By Order of the Board,
A. E. ARSCOTT,
General Manager.

Toronto, 22nd January, 1937.

The Guelph Carpet & Worsted Spinning Mills Limited

Preferred Dividend No. 31

Notice is hereby given that a Dividend of One and Five-Eighths per cent (1⅝%), being at the rate of Six and One-half per cent (6½%) per annum, has been declared upon the outstanding 6½% Cumulative Convertible Preferred Shares of The Guelph Carpet & Worsted Spinning Mills Limited, for the Three Months ended January 31, 1937, payable February 1, 1937, to Shareholders of record at the close of business January 20, 1937.

By Order of the Board.
B. F. GRIGGS.
Secretary-Treasurer.

Guelph, Ont., January 26, 1937.

Lake of the Woods Milling Company Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of 1¾% has been declared on the Preferred shares of the Company payable on March 1st, 1937, to Shareholders of record at the close of business on February 15th, 1937.

By Order of the Board,
D. A. MacINNES,
Secretary.

Photo Engravers and Electrotypers Limited

DIVIDEND No. 24

Notice is hereby given that a dividend of Fifty Cents per Share has been declared on the no par value stock of this Company, payable March 1st, 1937, to Shareholders of record at the close of business on the 15th day of February, 1937. The Transfer Books will not be closed.

By order of the Board.
JAMES RICHARDS,
Secretary-Treasurer.

Toronto, January 25, 1937.

Model Oils Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of three cents per share has been declared to shareholders of the Company of record as such on the books of the Company at the close of business on Saturday, February 6, 1937, and that the dividend will be payable on or after the 2nd day of March, 1937.

Dividend cheques will be mailed from the office of the Company on or after the 2nd day of March, 1937.

The Register of Transfers will be closed from the close of business on Saturday, February 6, 1937, until the opening of business on Wednesday, March 3, 1937.

By order of the Board,
T. W. McKEE
Secretary-Treasurer.

Dated at Calgary, Alberta,
January 20, 1937

NOTE: Transfer charge is 35c for each new certificate. If certificates are to be mailed, add 15c for postage. Changes of address should be sent to the Company's office, 7 Cameron Block, Calgary, Alberta, on or before the 6th of February, 1937.

A. J. Pattison, Jr. & Co. Limited
Established 1907
For thirty years we have rendered a Standardized Service to
BANKS, INSURANCE AND TRUST COMPANIES, BROKERS, INDUSTRIAL CORPORATIONS AND INDIVIDUALS
IN BUYING AND SELLING
INDUSTRIAL AND PUBLIC UTILITY STOCKS AND BONDS
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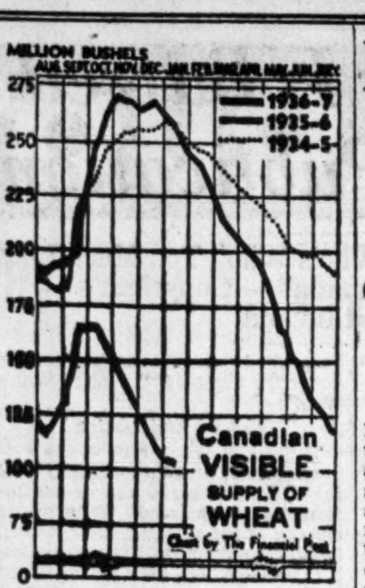


DOWN

Canadian supplies of wheat in marketable positions dropped sharply last week, but the decline is not attributed so much to exports, which were light, as to a big drop in country deliveries following stormy weather throughout the western grain areas.

Though visible has now been brought down almost to 100 million bushels as compared with not far short of 250 millions at this time a year ago, smaller changes are expected in the immediate future. Until the present heavy run of Argentine wheat has been absorbed it seems doubtful that there will be a great deal of buying of higher priced Canadian wheat.

Details in bushels are as follows:

Canadian Visible

Week of Jan. 22	Week Previous	Last Year
103,898,000	107,044,000	247,489,000

Export Clearances*

Week of Jan. 22	Week Previous	Last Year
2,724,569	3,724,188	4,138,790

*Plus U. S. imports.

Ills of Wheat Not Yet Over

Little Faith Placed in Permanency of New European Imports

Agricultural officials at Ottawa are by no means convinced that Canada's wheat troubles are over. In their recently published review of the agricultural outlook for 1937 they contend that given favorable weather world wheat acreage is still capable of producing a great deal more grain that could be currently absorbed.

Not Taking up Slack

"In appraising the probable international trade in wheat and wheat flour during 1936-37, it appears unlikely that the full reduction in the wheat harvests of western Europe will be reflected in a proportionately higher wheat trade," states this review. "Factors working against such an increase are several, including the continuation of a high degree of agricultural protectionism in the majority of European countries, and the scarcity of funds in these countries available for international purchase.

"From a long-time standpoint, the failure of the western European population to increase, accompanied by a decline in the per capita consumption of wheat, is contributing to the decreasing demand for wheat imports. The current situation is not altered significantly by the currency devaluation undertaken by France, Holland, Switzerland, Italy and other smaller countries. Wheat imports in these countries have now become more costly in terms of their new devalued currencies, the effect of which has only been partly offset by reductions in wheat import duties and other restrictions. Part of the low western European production this year is being taken care of by the utilization of carryovers and the substitution of other grains.

Imports Sheer Necessity

"Opposed to these basic factors which are working against a permanent increase in import demand, sheer necessity in the current season is compelling Italy, Germany and France to seek imports, because of the failure of their crops to meet domestic requirements. Provision for military needs and reserve stocks is also working in this direction.

Excess Production Possible

"It should be borne in mind that the restoration of world stocks to a normal level is being brought about in a year when Australia and Argentina have had very low available supplies for export during the August-January period, and when both Russia and the United States are not on an export basis. Normal weather conditions combined with the present level of acreage in the exporting countries and the European importing countries," concludes the review, "would result in a 1937 production in excess of world import requirements."

DIVIDEND NOTICES

Dominion Bridge Company, Limited

DIVIDEND NOTICE

A Dividend of THIRTY CENTS (30c) per Share has been declared on the No Par Value Shares of this Company for the Quarter ending 31st January, 1937, payable 15th February, 1937, to Shareholders of record at the close of business on the 30th January, 1937.

By Order of the Board,
F. W. EVENS,
Secretary.

Montreal, Que.,
19th January, 1937.

Zellers Limited

Notice is hereby given that an Interim Dividend of one and one-half (1½) per cent ($1.50) has been declared on the preferred shares of Zellers Limited and will be payable on and after February 15th, 1937, to Shareholders of record at the close of business on January 31st, 1937.

By Order of the Board.
T. E. McDERMOTT,
Secretary-Treasurer.

New Type Grain Pool Suggested

Government Would Absorb Losses if Minimum Price Too High

From Our Own Correspondent

WINNIPEG.—The Royal Grain Enquiry is plodding its way slowly toward the third stage, that of examination of the pools and of pool selling policy. When it resumed sittings at the beginning of the month, anticipations were that the third stage would have been concluded before the current sittings at Winnipeg were over. Now it is evident that the pools can hardly make their formal appearance before the Commission adjourns, to enable Mr. Justice Turgeon to wind up his textile enquiry in the east.

Suggests New Pool Basis

An entirely new note was struck when Dr. Patton, of the University of Michigan, was called by the Commission as an economist sympathetic with the pool point of view, or rather with what was the pool point of view in earlier days. He did not support the view recently taken by the pools that the open market method of marketing be abolished in favor of an all inclusive Government agency. Instead he advocated re-establishing pooling as it used to be, on a contract basis for farmers willing to sign contracts. But admitting that farmers might not again sign pool contracts if either there were a low initial payment or any possibility of later having to repay part of the initial advance, he wanted the pool initial payment guaranteed by the Government.

Government's Part

To justify such a step he would have the initial pool payment subject to Government approval, and a Government representative on the pool board.

The plan seemed less plausible when Dr. Patton's brief and the subsequent questioning developed his opinion that pooling really worked satisfactorily only on a rising market or a comparatively stable one. Losses on a declining market he considered inevitable, and these he would have no hesitation in unloading on the Government.

Questioning also brought out the fact that, applied to the past, such a plan would have cost the Dominion Government some $30 millions in addition to the wheat losses for which it is already responsible. That would have included the $22 millions which the Provincial Governments paid out on their guarantees and which they expect to recover from the pools. It would also include additional losses on the theory that the pool payments of 1930 would presumably have been on a higher basis than actually made.

No Backing

Dr. Patton's plan did not appear to have any friends before the Commission. In spite of his approval of what the pools did in the past, present pool theory appears to be that a pool cannot operate successfully on a system which allows farmers to remain out of the pool and to do their own selling on the open market. Commission counsel were concerned over the probable losses to the Dominion treasury and over the incentives to speculative instead of to regular marketing involved. Grain trade counsel questioned Dr. Patton's analysis of pool results of the past, and also his willingness to confine future Government assistance to farmers willing to sign contracts with the pool organization.

Dividends Declared

	This payment	Date payable	Date of record
Anglo Can. Tel., pf.	87½c	Feb. 1	Jan. 15
Agnew-Surpass	20c	Mar. 1	Feb. 15
Do., pref.	$1.75	Apr. 1	Mar. 15
Assoc. Tel., 1st pf.	42c	Feb. 15	Jan. 25
Do., 7% pfd.	49c	Feb. 15	Jan. 25
Bk. of Montreal	$2	Mar. 1	Jan. 30
B. C. Elec. Rly., pf.	2½%	Jan. 15	Jan. 5
Beatty Bros., 1st p.	$1.50	Feb. 1	Jan. 15
Brewers & Distillers	•$1	Feb. 1	Dec. 29
Brazilian Tr., ord.	40c	Jan. 30	Dec. 26
Bank of Toronto	$2.50	Mar. 1	Feb. 15
Buffalo Ankerite	12½c	Feb. 15	Feb. 1
Blue Ribbon, pf.	50c	Feb. 1	Jan. 28
Can Bk. of Com.	$2	Mar. 1	Jan. 30
Can. Indemnity	$6	Jan. 15	Jan. 15
Can. Inv. Fd. sp. & ord.	3½c	Feb. 1	Jan. 15
Do., extra	2½c	Feb. 1	Jan. 15
Can. Investors	10c	Feb. 1	Jan. 18
Do., bonus	5c	Feb. 1	Jan. 18
Calgary Power, pf.	$1.50	Feb. 1	Jan. 15
Can. South. Rly.	$1.50	Feb. 1	Dec. 28
Can. Bronze	25c	Feb. 1	Jan. 20
Do., bonus	75c	Feb. 1	Jan. 20
Do., pref.	$1.25	Feb. 1	Jan. 20
Can. Cement, pf.	*$1	Mar. 20	Feb. 28
Can. Industries, A & B	$2	Jan. 30	Dec. 31
Crown Cork	20c	Feb. 15	Jan. 30
Can. & For. Sec., c.	†6c	Feb. 1	Jan. 15
Commonwealth Int'l	4c	Feb. 15	Jan. 15
Do., extra	1c	Feb. 15	Jan. 15
Continental Life	$2	Jan. 15	Jan. 10
Corp. Investors	5½c	Feb. 15	Jan. 30
Cosmos Imp., c.	25c	Feb. 15	Jan. 30
Distillers-Seag., pf.	$1.25	Feb. 1	Jan. 22
Dom. Bridge	30c	Feb. 15	Jan. 30
Dome Mines	50c	Apr. 20	Mar. 31
Do., extra	$2	July 20	June 30
Dom. & Anglo Inv., pf.	$1.25	Mar. 1	Feb. 15
Do., arrears	$1.25	Mar. 1	Feb. 15
Edm. C. Dairy, pf.	$1.25	Jan. 2	Dec. 15
East. Theatres, pfd.	$3.50	Jan. 30	Jan. 15
Frost Steel, 1st pf.	*$1.75	Feb. 2	Jan. 16
Farmers' Tele., c.	62½c	Jan. 31	Dec. 31
Gurd, C., pf.	$1.75	Feb. 15	Feb. 1
Guelph Carpet pf.	$1.62½	Feb. 1	Jan. 20
Howey Gold	2c	Feb. 1	Dec. 31
Hollinger Cons.	5c	Jan. 28	Jan. 14
Humberstone Shoe	50c	Feb. 1	Jan. 15
Imperial Bank	$2.50	Feb. 1	Dec. 31
Inter. Nickel, pf	$1.75	Feb. 1	Jan. 2
Inter. Utilities, pf.	$1.75	Feb. 1	Jan. 21
Do., $3.50 pfd.	87½c	Feb. 1	Jan. 21
Kelvinator, pfd	$1.75	Feb. 15	Feb. 5
Lake of Woods	$1.75	Mar. 1	Mar. 15
Loblaw Groc., A, B	25c	Mar. 1	Feb. 12
Mtl. L. H. & Power	38c	Jan. 30	Dec. 31
McIntyre Porc.	50c	Mar. 1	Feb. 1
Mitchell, J. S., c.	$2	Mar. 1	Feb. 16
Model Oils	3c	Mar. 2	Feb. 6
Mtge. Corp. of N. S.	$1.75	Feb. 1	Jan. 24
Nat. Biscuit, pf.	$1.75	Feb. 27	Feb. 11
Do., com.	40c	Apr. 15	Mar. 12
Nipissing Mines	25c	Feb. 20	Feb. 5
Ont. Steel, pref.	$1.75	Feb. 15	Jan. 30
Do, extra	$2	Feb. 15	Jan. 30
Penman's	75c	Feb. 15	Feb. 5
Do., pref.	$1.50	Feb. 1	Jan. 21
Photo Engravers	50c	Mar. 1	Feb. 15
Quebec Power	25c	Feb. 15	Jan. 27
Root Pete., c.	25c	Feb. 1	Jan. 18
Royal Bank	$2	Mar. 1	Jan. 30
Royal Trust	80c	Jan. 30	Jan. 30
Do., bonus	40c	Jan. 30	Jan. 30
Sherbrooke Trusts	$1.50	Feb. 1	Jan. 15
Simpsons, pfd.	$1	Feb. 1	Jan. 25
Saguenay Pr., pf.	$1.37½	Feb. 1	Jan. 15
Shawinigan W.	20c	Feb. 15	Jan. 20
Steel of Can.	43¾c	Feb. 1	Jan. 7
Do., extra	$2	Feb. 1	Jan. 7
Do., pref.	43¾c	Feb. 1	Jan. 7
South. Can. Pr., c.	20c	Feb. 15	Jan. 30
St. Law. Flour	75c	Feb. 1	Jan. 20
Do, pref.	$1.75	Feb. 1	Jan. 20
Toburn Gold	2c	Feb. 23	Jan. 22
United Corp., A	*75c	Feb. 15	Jan. 30
United Bond & Sh.	20c	Jan. 15	Dec. 31
Willson Stairs., pf.	$1.25	Jan. 15	Dec. 31
Wr.-Hargreaves	‡10c	Feb. 1	Jan. 6
Weston, Geo., pf.	$1.25	Feb. 1	Jan. 20

†Initial. *On arrears. ‡Interim. •Capital distribution.

Wheat Output At 17-Year Low

Though the world output of wheat in 1936 was over 35 million bushels higher than was earlier anticipated, the International Institute of Agriculture reports that this was the lowest year's output since the Great War. Exclusive of Russia the total for 1936 is placed at 3,349 million bushels. There was a decrease of 41 millions in North America, but an increase of 110 millions in South America. However, the latter gain was more than offset by the loss in United States, Canada, Europe and North Africa.

The small production in 1936 was attributed to "unusually bad weather throughout the world during the entire year."

Hiram Walker Scotland To Build New Distillery

Expansion of operations of Hiram Walker-Gooderham and Worts Ltd. in the British Isles is indicated by announcements that the company, through its subsidiary, Hiram Walker Scotland Limited is starting construction of a new Scotch grain distillery.

The new grain distillery will be built on the recently purchased eight-acre site at Dunbarton and is described by British newspapers as the most up-to-date distillery in the world. It will have a minimum annual capacity of two to three million gallons, and will be capable of expansion.

Construction of the new distillery will commence immediately and it is expected to be in full production before the end of 1937. Produce of the new unit will be distributed to blenders, brewers and wine merchants with grain whisky requirements.

'36 Canadian Wheat Crop Smallest in Many Years

For the fourth successive year Canadian wheat production has fallen below 300 millions. In its third estimate for the 1936 crop the Dominion Bureau of Statistics places the total of Canadian wheat production last year at 229,218,000 bushels.

This is the smallest crop since 1919, it is pointed out, and if the larger acreage last year—six millions ahead of 1919—is taken into consideration, it is one of the smallest yields on record. Production of wheat for the three Prairie Provinces is placed at 212 million bushels as compared with 264 million in 1935 and 263 million in 1934. Due to an average rise in price of about 30 cents per bushel and much better quality, value of the 1936 crop was considerably higher than for that of 1935.

Gurd's Sales and Profits In 1936 Best Since 1932

From Our Own Correspondent

MONTREAL.—A further increase in sales volume and profits of Charles Gurd and Co. for 1936 is indicated in a letter dispatched by A. McA. Murphy, president, to the shareholders. In each instance, Mr. Murphy states, the showing is the best since 1932.

In referring to the preferred dividend and the special interim Christmas dividend, Mr. Murphy said that the distribution was made out of earnings, as was the redemption of 100 shares of preferred stock.

Attention is drawn by the president to the change in the fiscal year from Dec. 31 to March 31. Accordingly the next annual statement will cover the 15 months from Jan. 1, 1936, and will reach the shareholders some time during April.

British Trade Pact Hastened By U. S. Plans

Runciman Said to Have Aided Move to Give Canada Priority

From Our Own Correspondent

LONDON, Eng.—Information derived from Government and Canadian sources here indicates that little importance is attached to the prospective visit of Rt. Hon. Walter Runciman, Secretary of the Board of Trade, to eastern Canada.

Main purpose of Mr. Runciman's visit to America, has been to enquire at Washington respecting prospects for a trade agreement between Great Britain and the United States. It is presumed that such an agreement would be accompanied by a settlement of the war debt question—upon terms well within the capacity of Britain to carry through.

Thereafter, Mr. Runciman is expected to go to Ottawa and the chief purpose of such a visit, it is believed, will be to keep Hon. C. A. Dunning closely informed on the London-Washington trade negotiations.

Priority Sought

The Canadian Government attached importance to the renewal of the Anglo-Canadian treaty before the United States and British Governments came to terms. The need of an earlier agreement was one of the reasons for Mr. Dunning's trip to London last summer — a trip which has resulted in a renewal of the trade treaty upon satisfactory terms.

Exactly why Ottawa was anxious for priority has not been disclosed but it is believed, here, that fears were held that British concessions to the U. S. might injure Canadian manufacturers and primary producers. It was conceivable that such concessions might enable the activities of U. S. branch plants in Ontario and Quebec to be reduced or discontinued. It was conceivable, too, that Canadian lumber, fruit, livestock and other interests might suffer. The United States still exports huge quantities of primary products to this market—particularly hams.

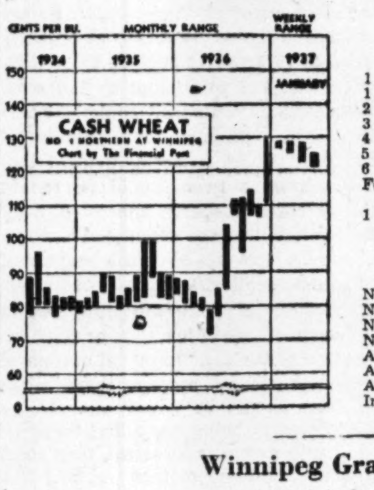
Interests Safeguarded

By pressing forward with negotiations, it is believed that Canadian interests have been completely safeguarded, not only by the terms of the concessions in the new treaty, but by bringing the Canadian point of view clearly before the British cabinet. Mr. Runciman, it is learned, was particularly interested in this phase of the negotiations and his visit to Ottawa may be to reassure, even consult with, his friends in the Canadian Government.

With respect to the U.S.-British trade agreement, indications here are that prolonged negotiations will be necessary. The British, it appears, are in earnest in their desire to enlarge international trade, to scale down tariffs. But the U. S. feels little urge to grapple with the problem involved in negotiating such a treaty.

U. S. experts believe that their country will continue to hold its markets here, regardless of what happens. They feel that this market cannot be greatly enlarged, due to competition from the Dominions. On the other hand, they doubt if their manufacturers would welcome tariff reductions on such manufactures as woollens and art silks.

Wheat Prices



(Cash Quotations)

	For Week Jan. 26 High	Low	Prev. Week High	Low
1 Man. Hard	1.23⅜	1.21½	1.29	1.23
1 Northern	1.23⅜	1.21½	1.29	1.23
2 Northern	1.21⅝	1.19¾	1.27¼	1.21½
3 Northern	1.20¾	1.16¾	1.24½	1.18½
4 Northern	1.12⅝	1.10¾	1.18½	1.12½
5 Wheat	1.08⅞	1.07	1.14½	1.08½
6 Wheat	1.07⅞	1.06	1.13½	1.07½
Feed Wheat	.89⅛	.88	.95½	.89½
Vancouver: Week to Jan. 25.				
1 Northern	1.23⅜	1.21¾	1.29	1.24⅞

Competitive Export Prices:
Jan. shipment.

Week to Jan. 22	High	Low
No. 1 North. (Vanc.)	1.49⅝	1.46½
No. 2 North. (Atlan.)	unquoted	
No. 1 North. (Atlan.)†	1.50⅜	1.46½
No. 2 North. (Vanc.)	1.49⅜	1.43½
Australian (afloat)	1.37¾	1.34¼
Australian	1.35	1.31⅛
Argentine Rosafe†	1.19¼	1.17⅞
Indian (choice Karachi)	1.36½	1.32¾

†Jan.-Feb.

Winnipeg Grain Futures

Week to Jan. 26, 1937

Crop year from Aug. 1, 1936 High	Low		Open Jan. 20	High for week	Low for week	Close Jan. 26
		Wheat				
1.30¾	1.05⅝	May	1.23⅜	1.23¾	1.19¾	1.21¾
1.26⅜	1.03¾	July	1.19⅝	1.19¾	1.15¾	1.18½
1.15	1.05½	Oct.	1.10	1.10	1.05½	1.07¾
		Oats				
.58	.42¼	May	.55¼	.55⅜	.52	.54¾
.55⅛	.43⅝	July	.52⅝	.52¾	.50	.52¼
		Barley				
.88⅞	.50⅞	May	.82	.82¾	.79	.81¾
.77¼	.56¾	July	.72⅛	.72⅝	.69⅛	.71⅞
		Flax				
1.75⅞	1.60½	May	1.68	1.70	1.64	1.69
1.76	1.63¼	July	1.68¾	1.70	1.64	1.69
		Rye				
1.14⅞	.62⅝	May	1.02	1.08⅝	1.00⅜	1.08
1.12⅛	.78¼	July	.98⅛	1.05¼	.96⅜	1.03½
.92½	.83⅜	Oct.	.83½	.91	.83⅜	.90

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Halifax Cargo Tonnage Hits Peak in December

From Our Own Correspondent

MONTREAL. — Cargo tonnage handled through the port of Halifax in December amounted to 283,281 tons, the largest reported for any December in the last five years and comparing with 214,298 tons in 1935. Though exports showed an increase, practically all the gain was recorded by imports, which amounted to 185,068 tons last month.

For the calendar year 1936, cargo tonnage handled totalled 2.1 millions, of which inward shipments amounted to over 1.2 million and outward shipments 880,000 tons. This was somewhat less than in 1935. In that year imports were approximately the same as in 1936, but exports totalled 983,000 tons.

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Strength of Canada Life Resources Features 90th Annual Report

An optimistic note was sounded at the 90th Annual General Meeting of the Canada Life Assurance Company, held in the Head Office of that Company at Toronto, on January 21st, when Mr. Leighton McCarthy, K. C., President, and Mr. A. N. Mitchell, Vice-President and General Manager, addressed the meeting of shareholders and policyholders.

In presenting the Annual Report, the President, Mr. Leighton McCarthy, K.C., spoke in part as follows:

I have the honour to present the Ninetieth Annual Report of this Grand Old Company. I take great pleasure in doing so, confident that the Policyholders and Shareholders will share the satisfaction which your Directors and the members of the Executive feel in regard to it

Canada has during the last few years been steadily climbing the somewhat steep ascent leading out of the Depression which enveloped her and other parts of the world Now she appears to have successfully reached a point from which can be viewed as in panorama, the foundation for such faith, hope, courage and confidence as is evidenced by this and other Annual Reports of Financial and Industrial Institutions which have been recently presented to various bodies of Shareholders.

We are thus — unless overindulgence creates another attack of indigestion, which God forbid!—led to believe that Canada is entering upon another era of prosperity.

Your Executive and Directors, notwithstanding this buoyant feeling, believe it to be the course of wisdom to continue to maintain and strengthen the Reserves against such situations as have been created, among other things, by certain unwise and unfair legislation, until these situations are cleared up and they are placed in a position to distribute the fruits of the recovery which undoubtedly is taking place with increasing rapidity.

Consideration of the Balance Sheet which has been submitted today shows that your Company has fully participated in this upward trend. In consequence I feel sure that you will regard the statement submitted as a satisfactory one.

There is continuation of activity in all branches of the Company's business, and I can assure the Policyholders and Shareholders that the Company's position is sound and healthy.

Mr. A. N. Mitchell, Vice-President and General Manager,

in addressing the Meeting, referred to the retirement, due to ill health, of Mr. A. Gordon Ramsay, former Assistant General Manager and General Superintendent, paying high tribute to the valuable services he had rendered the Company during his years of association with the Canada Life.

After analyzing the position of the Company's affairs and reviewing the work of the Field Forces for the past year, Mr. Mitchell spoke in part as follows:

As the matter is of vital interest to our policyholders, I would like again to emphasize some points made last year in connection with debts. Rich men do not bulk largely among the holders of life insurance. It appears that somewhere between three and three-and-a-half million people hold life insurance policies in Canada. Records carefully studied indicate that over 93 per cent. of these policyholders are insured for amounts ranging from very small figures to $5,000 and that less than 7 per cent. are insured for more than that amount. Similar percentages apparently also would apply in the United States. This policyholder group would constitute a heavy proportion indeed of the adult population of both countries. It is, without doubt, the largest type of co-operative effort in these countries. It is our best example of strong and weak banding together for mutual protection.

Fair Interest Return Essential.

Their protection, however, is dependent on the security offered by the investments made on their behalf. Governments have recognized this by legislation restricting the types of investment which can be used. Moreover, the earning of a fair return on these investments is essential to the adequacy of the protection.

Constructive Force of Investments.

The investments and loans made on behalf of this co-operative body are necessarily made with conservatism. The securers of such loans are naturally not people in straitened circumstances, nor have the loans been made at rates of interest in excess of the current price accorded money. These loans have been the means through which those who receive them acquired equipment and property to carry on their business or to build new homes in which to live. They have been used both to develop agriculture and increase business earning power. They helped agriculture to create its buildings, provide fencing and equipment, and otherwise develop its property. They helped the business man to acquire his business premises and develop his production capacity. Without these and similar co-operative funds for investment, the highways which bring our lucrative tourist traffic would probably have been non-existent. Many of our power plants, railway facilities, street paving and waterworks would still be future possibilities. The amenities of life and the employment of labor are largely due to this gathering together of the small savings into large reservoirs under the administration of these co-operative institutions, which have, moreover, been administered in such a manner as to command the public's general esteem.

We believe there is a growing recognition of these points and that many destructive and erroneous ideas as to debt and as to the position of debtor and creditor are gradually being eliminated and will not so develop that they will endanger the economic and financial structure of the country.

The continuity and further development of sound business and the gradual wiping out of unemployment are synonymous. It is being increasingly recognized, however, that such development of business depends upon the individual honesty of the people. Day to day transactions rest entirely on honesty and the ability and willingness to pay for services rendered.

The simple economic facts are gradually emerging that if a debt is not paid someone loses, and that if confidence and credit are destroyed chaotic conditions result. The proper relationship between debtor and creditor is being shown to be essential to sound progress and the wiping out of our unemployment troubles. It is becoming apparent that proper relationship can only be maintained and proper credit conditions preserved when adjustments of debts rest entirely on the merits of each case.

Status of a First Mortgage.

Life insurance companies because they function as large co-operative Societies, are restricted by law to certain classes of investment. One of the main outlets for the funds of this great co-operative movement is in first mortgages.

It seems important that this great body of citizens, whose joint efforts are so largely providing the mortgage fund of the country, should get clearly before them the status of a first mortgage and help to produce a sound attitude of public mind in connection with these transactions. The name "first mortgage" makes it clear that it is a first claim on the property affected, subject to the primary taxes due the municipality for such essential services as are necessary to maintain or improve the standing of the property. Such loans are made invariably at the request of the borrower, and the giving of the security which he offers is a purely voluntary act. Moreover, the rate of interest charged in such transactions, because of the legal priority given claims against the property and because of the availability of money in various quarters for this purpose, has been naturally at rates as low as the type of security offered warranted.

To mortgage one's property has been recognized as a serious decision because of the powers and rights thereby transferred to the mortgagee. Nevertheless, the mortgagor retains his right to redeem the property under stipulated conditions, and so long as those conditions are observed, he is left in full use and possession of the property. At the same time all other persons are given notice by registration that such a claim exists against the property. They know, or should know, therefore, when they become further creditors of the mortgage borrower that such a prior claim against the security exists.

Adjusting Mortgage Debts.

There has been a growing tendency of late under the various debt adjustment arrangements to force creditors to grant concessions to debtors irrespective of the circumstances under which the advances were made or the credits given, and to overlook the prior position of a first mortgage. Where circumstances force the necessity of debt adjustment, the institutional creditor has usually been prepared to co-operate in a voluntary arrangement which took into account the ability of the debtor to pay. These co-operative lenders of money on first mortgages who have conducted the business conservatively will have set up reserves to absorb the individual losses occasioned in the regular course of events by poor crops or other unavoidable circumstances. Of recent years, however, there has been created at several points legislation which deals with debt in an arbitrary and blanket way and leaves no right of appeal to a creditor, even when he has been unreasonably interfered with. Such legislation imposes on these co-operative lenders unfair burdens — burdens which might even seriously impair the stability of their institutions, since no method, however conservative, would naturally prepare for such wholesale action.

Elimination of Destructive Legislation.

The difficulties to be faced in the localities where such legislation has been imposed have been grave. These we fully recognize, but the dangers, if emergency legislation becomes permanent, are also great. Such legislation is destructive to credit, and credit is essential for the progress of the country. We are glad to note evidences in various Provinces, particularly Saskatchewan and Ontario, that the belief is growing that such legislation should be eliminated as early as possible by co-operative efforts. It will be increasingly recognized that the creditor is a citizen as well as the debtor, and because he is one of a great body if co-operating individuals, such as we find in life insurance, the creditors are probably even more numerous than the debtors. They have not yet learned, however, to organize their position for political effect. In the meantime, damage can only result from any prolonged suspension of fair play between debtor and creditor.

Low Interest Rates Affect Policyholders

Our policyholders are also vitally affected by the present low interest rates and by the fact that their continuance is undoubtedly influenced by governmental practices. It is important, therefore, that this vast group, who must constitute a large section of public opinion, should get a clear view of the interest rate question.

So long as relief and social charges are creating budgetary deficits, these governmental practices which affect interest rates are possibly justifiable. As budgets approach balance, however, it would seem wise to permit the laws of supply and demand to have their full effect in interest as in other matters.

Artificial maintenance of low interest does not necessarily provide a sound basis for business improvement. After all is said and done, the thrifty habits of the people and the savings so created are the backbone of sound community financing. When the returns on government and municipal issues are too low the ordinary thrifty person hesitates to invest in them. Interest rates at their present levels are, on the contrary, conducive to speculation with its resultant dangers of a new collapse. Present conditions have produced a shortage of new sound business ventures requiring the credit provided by banking. The result is that bonds are unusually prominent today in the portfolios of banks, whereas the thrifty public are tending to avoid this type of investment. We believe, however, that the welfare of a community is better taken care of if, in time of saving, the members set aside a proportion of their savings in securities not subject to wide market fluctuations.

Wisdom of Distributing Debt Burden

Even if some of the new theories of monetary control prove ultimately commendable, we believe it will always remain true that the burden of national debt is better borne when distributed over a large body of individual citizen-holders than when concentrated in a few institutional holdings. The ordinary small investors in this high-grade type of security are frequently at a time of life or in such circumstances that other income is not available. Under the present scale of return on these investments these small holders are required to bear more than their proper share of the national burden, because of the necessity of heavily adjusting their scales of living to the lower income. It is a natural consequence that the high-grade bond has seriously lessened its appeal to this type of investor. We are confident the country must suffer economically if this continues.

Canadian Progress.

No country is more richly endowed with natural resources than Canada. Each year shows new records in their development. These resources were not lost during the depression. Their development may have been momentarily retarded but the ability to create new vast wealth from agriculture, fisheries, forests and mines is still as great as ever.

Even as it is, our mines during this period have progressed until they are adding to the country's wealth at the rate of almost a million dollars a day, while our forests are increasingly recognized as a main source of world supply.

Our predecessors and ancestors in this country fought the forces of nature to produce for us an opportunity such as has been given to few people in the history of the world. If we have inherited the characteristics of our forefathers—and I believe we have—our present problems will not be solved by evading them. They will be solved by using the resources bequeathed to us in such abundance and by using the brains, brawn and courage also bequeathed us to develop them. Our salvation will not be found through arbitrarily destructive laws. It will be found in progressive thinking and determination to build a better and greater Canada—or in other words, in the individual initiative and courage of our citizens.

The difficulties need not be minimized. I believe our people, both debtors and creditors if properly led, have the courage to approach them as problems to be solved through the application of that common sense and common honesty which produces a true co-operation.

Co-Operation a Prerequisite.

Sectional prejudices have no place in such a common sense co-operation. Certain sections of our country are facing difficulties not felt by other parts and true advancement can only be made when all parts of the country are working together to eliminate these difficulties. It would seem essential, therefore, that some means should be set up at an early date to properly analyze these difficulties and to attempt to find some means by which all could co-operate in a common sense solution of the troubles. It seems evident that such an answer should be sought by some properly appointed body representing the country as a whole and which will have the backing of public confidence because of its personnel. If there are injustices in our methods of taxation, or distribution of taxes, or in our allocation of governmental powers, these injustices should be wiped out. If the statement being made that these injustices exist is incorrect, then some authoritative method should be found of correcting the misapprehension. Now that we have in many parts of the country evidence of growing prosperity the questions could be more easily faced, and any sacrifices required more readily absorbed.

Such a co-operative scrutiny would produce an immediate psychological betterment which would benefit not only ourselves but future generations. It would undoubtedly tend to reduce public expenditures, create better management of public funds and produce a more scientific imposition of taxes, with a resultant greater willingness on everyone's part to do their share. Such things can be accomplished and will go far toward lowering taxation, increasing the value of all properties and investments and eventually enhancing the incomes and living standards of all sections of the public.

The following were elected directors for the ensuing year: Leighton McCarthy, K.C., President; Herbert C. Cox, Chairman of the Board; E. R. Wood, LL.D., Vice-President; A. N. Mitchell, Vice-President and General Manager; *E. G. Baker; C. A. Bogert; Arthur V. Davis; *Aime Geoffrion, K.C., B.C.L.; R. A. Laidlaw; J. A. McLeod; *W. E. Rundle, LL.D.; *Hon. Charles Stewart, P.C.; John Stuart; W. N. Tilley, K.C.; *Rt. Hon. Sir Thomas White, G.C.M.G.

*Policyholders' directors.

During its 90 years of service, the Canada Life has been privileged to act as the medium through which hundreds of thousands of policyholders in all walks of life have co-operated to build up a fund mostly out of small savings, to be returned later as benefits to themselves or their beneficiaries.

Assets accumulated in this way crossed the $250,000,000 mark in 1936. This large sum is necessary in order to meet the requirements of the $814,000,000 of life insurance now in force, which includes over $57,000,000 of new paid life insurance entrusted by clients to the care of this Company during the past year.

In Canada and the United States an increase of over 20% in new paid ordinary life insurance was effected as compared with 1935.

The effect of these co-operative efforts through the years since 1847 is best evidenced by the fact that the Canada Life has paid to policyholders, annuitants and beneficiaries, or has accumulated on their behalf more than $600,000,000, a sum which exceeds the total premiums received during the Company's existence by more than $50,000,000.

In 1936 alone, the Company paid the very large amount of over $26,000,000 to its policyholders, annuitants and beneficiaries. These payments amounted to an average of $2,202,877 every month, or $505,578 every week. Living policyholders and annuitants received $18,900,000, or 72% of the total paid.

Such payments have brought a measure of comfort and security into hundreds of thousands of homes — have been the means to a happy retirement for thousands of policyholders themselves.

Similarity Is Barred In Book Publication

Judge Finds "Canadian Who's Who" Too Much Like "Who's Who in Canada" — Copyright Declared Invalid

In his recent judgment granting an injunction against publication of "Canadian Who's Who," Mr. Justice F. D. Hogg, of the Ontario Supreme Court, ruled that similarity in the title or appearance of a book to that of another publication often constitutes a violation of common law.

His Lordship dismissed as secondary the copyright issue involved in the case and pointed out that the title of a book was seldom, if ever, legitimate subject for copyright. He quoted authorities both in Ontario and England to show that copyright could only be granted on an original composition of an author.

Both the plaintiff, International Press Ltd., publisher of "Who's Who in Canada," and the defendant, Arthur Tunnell, proprietor of Trans-Canada Press and publisher of "Canadian Who's Who," had built up a good part of their respective cases around the laws governing copyright.

Infringement Claims

International Press claimed the publication last fall of Mr. Tunnell's volume of Canadian biography under a title similar to "Who's Who in Canada" and the similarity of the book itself to the International Press publication constituted infringement of copyright.

The defendant in a counterclaim pointed out that he had acquired the copyright on the title "Canadian Who's Who," which had been originated by the London Times Publishing Co. in 1910, and that use by International Press of a similar title for the first time in 1922 constituted infringement.

His Lordship explained that, in giving judgment, he had not considered these claims of infringement since he had found it unnecessary to do so. Statutory rights granted under the Trade Marks Act, he emphasized, were "essentially artificial" determined from acts of parliament as interpreted by the courts.

Common Law Rights

He found the key to the controversy in the fact established by wider common law rights that "it is an actionable wrong for a person to represent for trading purposes that his goods are those or that his business is that of another."

In the similarity of titles, similarity of get up in the volumes and in evidence submitted of the system used by the Trans-Canada Press, Mr. Justice Hogg saw grounds on which to conclude that "there was an attempt on the part of the defendant to confuse the public and to deceive them into the belief that his proposed book was that of the plaintiff."

To support his judgment he quoted Mr. Justice Middleton to the effect that "where names are so much alike as to be calculated to deceive you may draw an inference of an attempt to defraud the public and it is the duty of the court in such cases to restrain it."

Mr. Tunnell has announced his intention of appealing the decision.

The case was originally started before the actual publication of "Canadian Who's Who" a volume containing the biographies of contemporary Canadians. It was heard by the late Mr. Justice J. A. McEvoy, who died before he could deliver judgment.

Former Employee

Mr. Tunnell, according to evidence, had been employed by B. M. Greene, proprietor of International Press Ltd., as a canvasser for subscriptions and to get biographical information. He had later been appointed sales manager, and resigned from this post in 1932.

An employee of International Press testified at the hearing before Mr. Justice McEvoy that Tunnell had confided to him then that when he published his own volume it would be "the end of Greene and his 'Who's Who in Canada.'"

Mr. Tunnell had subsequently written to the London Times Publishing Co. offering them $50 for the copyright on the title "Canadian Who's Who" under which a volume of biography had been published in 1910. The company had replied that it would be pleased to assign the copyright without charge and this letter Mr. Tunnell had registered with the Ottawa bureau.

Mr. Justice Hogg found that the London company had no authority to assign the copyright, since it had long before expired through non-use. Obviously, he pointed out, The Times Publishing Co. had no intention of asserting rights to the copyright since it considered it valueless.

In earlier pages of his judgment Mr. Justice Hogg quoted Mr. Justice Masten to support his contention that in any case there "cannot be any copyright in the name of a book unless the title itself amounts to a literary, scientific or artistic work or composition." The words "Who's Who" he pointed out, had been used in other countries for many years.

"If the defendant caused the public to believe the book was that published by the plaintiff," His Lordship ruled, "he can't rely on the fact that he acquired The London Times copyright."

On the other hand His Lordship stressed the continuous use since 1922 of the title "Who's Who in Canada" by the International Press and found that in such cases a title might acquire a secondary meaning.

Secondary Meaning

"So far as Canada is concerned," he stated, "the words or name 'Who's Who in Canada,' in my view, are now known as indicating so far as general biographical work on Canadian citizens is concerned, the work published by the plaintiff."

Several "Who's Who in Canada" subscribers were brought forward by International Press Ltd. to testify they had been approached by Mr. Tunnell or his agents and in each case they admitted they had been confused by the similarity of names. D. J. Coffey, K.C., Toronto, testified he had been led to believe that International Press had ceased publication and that Trans-Canada Press had taken over publication under the name of "Canadian Who's Who."

Use Of Information

"I think it is clear upon the evidence," His Lordship declared, "that the defendant made use of the information he obtained while in the employ of the plaintiff, after he had left their employ and set up a similar business on his own account against the interest of his former employer.

"The defendant's book so closely resembles that of the plaintiff in outward appearance that it might easily be taken for the plaintiff's publication and its appearance is calculated to deceive the public into the belief that the defendant's production is that of the plaintiff."

His Lordship found this a breach of the clause in the Unfair Competitions Act of 1932, which states that "no one shall adopt any business practice contrary to honest industrial and commercial usage" and ordered that all volumes and stationery bearing the name "Canadian Who's Who" must be delivered up or have the name obliterated.

Mr. Tunnell is also restrained from using information acquired from International Press.

Manitoba Coal

Winnipeg, Man.—Manitoba made notable progress last year as a coal mining province with a production roughly a third larger than in 1935. During 1936 some 4,390 short tons were mined, valued at $10,536, as compared with an output of 3,106 tons in 1935, valued at $7,408.

Most Imports of Books Come from United States

Some interesting figures on Canada's imports of books and other printed matter have recently been brought to light by the Kingston Whig Standard, says Bookseller and Stationer.

Canada's imports during the last fiscal year amounted to a declared value of $10 millions or slightly over $1.10 per capita. Of this amount, 10 cents represents the per capita expenditure by libraries so that the total amount spent by private individuals on books would be in the neighborhood of $1.

Just how closely we are tied to the United States is illustrated by the origin of this import figure. Two millions came from the United Kingdom, one million from miscellaneous sources and seven millions from the United States. This figure is significant from more than a trade point of view in that it indicates the trend of Canadian culture.

36th Annual Meeting of the Shareholders of the

PROVINCIAL BANK OF CANADA

Directors' Report submitted to the General Annual Meeting, held at the Head Office of the Bank, 221 St. James St. West, Montreal, on January 21st, 1937.

Election of the Members of the Board of Directors and of the Board of Commissioner-Censors.

The General Manager presents the Report on behalf of the Board of Directors: To the Shareholders of the Provincial Bank of Canada.

The annual statement for the fiscal year ended November 30th, 1936 which has been submitted to you, was gratifying to the Directors, and we hope that it will prove equally gratifying to the Shareholders.

Industry and Commerce have shown a steady improvement in 1936, and the trend during the last few months has been towards higher levels. Recuperative forces so long repressed are at work again; improvement in our domestic situation is marked; it is the revival following the acute depression Increases are reported in industrial output and trade, accompanied by the strengthening of commodity prices. Re-employment has made further progress, newsprint output is much higher, the steel industry is running at expanded capacity, the motor and oil industries are more active and are reported as having placed themselves in an excellent position; power consumption continues to increase, railroads are hauling more traffic, lumber operations in Quebec and the Maritimes are conducted on a larger scale, prices having advanced with a better demand for export.

As further evidence of improvement, nearly all company statements reveal large earnings over the preceding year.

Last year, crops although disappointing in certain parts of the country, have been fair. The decline in volume was more than offset by higher prices. The purchasing power of the farmer has again increased and is now reported as being about 15 per cent greater than 1935.

Agriculture continues to have considerable bearing on the affairs of the country, but during the past few years another factor, which has attained great economic importance is the mining industry, particularly the production of gold. A survey of developments during the past year, discloses that several new properties have entered production and others are nearing the production stage. Highest relative gains are reported in the Province of Quebec and in Ontario, and the outlook appears to be most favorable. More men are employed, more salaries and wages paid and more business is supplied to factories and transportation. Construction of dwellings is becoming more active with the growth of a population in the different mining areas.

As our Country occupies a debtor position, a trade balance in its favor is required. A marked improvement in international trade has developed during the past year and the current trend holds signs of registering further gains. The Reciprocity Agreement with the United States, which has been operating a little more than a year, has stimulated our exports and has been beneficial in many other directions. It remains to be seen what effect devaluating of European gold currencies and efforts towards lifting trade and exchange barriers will have on the general movement of trade.

Retail trade in Canada has also enjoyed improvement. With increasing purchasing power in rural districts and higher levels of employment in urban centres, retailers have noted a stronger popular belief that business is on the upgrade. The cautious spending attitude of former years is gradually abandoned. In anticipation of higher wholesale prices and expanding purchases by consumers, retailers are beginning to increase their inventories, helping to maintain activity in other lines of business. The outlook for the retail trade is brighter and earnings should expand.

The building industry having failed to keep pace with other lines of business, the Dominion Government through the National Employment Commission, has initiated a plan for the stimulation of construction through loans to home-owners. Under this plan, home-owners with regular income from assured sources, may borrow from chartered banks up to $2,000 at a very fair rate of interest, to improve their buildings. Reimbursement can be made by monthly instalments. Building material manufacturers closed the year with the most promising prospects since the beginning of the depression, and are preparing for a constantly increasing demand. Material and labor costs, however, are advancing so rapidly that the cost of construction and increased taxation are retarding the recovery in the construction industry.

As a consequence of easy money, rates of interest have again been reduced, having reached the lowest level in several years. Idle funds continue in heavy supply.

High grade short term bonds are now selling at a lower yield than the interest paid by the banks on savings deposits; a very unhealthy situation. During 1935 chartered banks ceased to pay interest on current deposit accounts and reduced the rate of interest from 2 per cent to 1½ per cent on savings accounts. Banks are experiencing difficulty in employing a profitable part of their funds within the range of prudence. These conditions are more or less the result of a combination of forces, but in an important degree are attributable to the easy money policy of monetary authorities. Money and investments are entitled to a fair return, just the same as labor. It is regrettable that in these days, when so much is heard of minimum wages for labor, nothing is said about minimum rates of interest for the investor. It is hoped, however, that during the coming years business will find it necessary to borrow on an increasing scale for the replenishing of inventories, the cost of which is now higher than a year ago.

Redemption of bonds and conversions at a very low rate of interest are inducing investors to purchase stocks with a view to maintaining income at a level permitting maintenance of living conditions, and this is not sound. Industrial stock prices have reached new recovery peaks; sales were well above those of last year. Mining stock trading has become very active, and although a certain control is being exercised, careful selection is recommended.

While business conditions are changing, consideration should be given to the revolution in Canadian thinking and living habits, which need corrective education. We are still in a period of confusing ideas and contradictory economic legislation. Certain new methods and theories are in direct opposition to sound, confidence-inspiring principles that previous generations were justly proud of and strove to observe, as they considered them of the greatest importance for the welfare of the individual as well as that of society.

What is needed today is not a sharing-of-the-wealth but a sharing of enlightened understanding and responsibility. Closer co-operation among political leaders and business and financial statesmanship in outlining and putting into force social corrective legislation to develop sound practice, and economic laws tending toward preservation of capital would prevent economic dislocation. No business or industry can survive both state regulation and competition.

Limitation of public expenditures to those absolutely unavoidable, organization of internal economies, balancing of budgets, as strongly advocated during the past few years by business men, are still an objective to aim at, the realization of which is of major importance as it would help considerably to attain lasting prosperity.

Taxation and public debt may not be increased without danger. Government securities which have been largely purchased by financial institutions in recent years will remain sound only as long as government financial policies are sound.

Although the Bank's liquid position was high in 1935, it was further increased. As disclosed by the statement issued at the end of the fiscal year, liquid assets totalled $36,257,081.36, corresponding to 78 1-3 per cent of all liabilities to the public. Cash items and deposits with other banks exceeded $7,300,000.00 being about the same as last year, but much in excess of deposits not bearing interest.

Whilst there has been a substantial revival of business, there has been no corresponding increased demand for money, and low interest rates have prevailed. This, of course, affects the earnings. However, profits were $402,678.14 which is about the same as in 1935. Earnings per share were $6.60, as compared to $6.50 last year. Adding the year's profits to the balance of $257,584.22 of Profit and Loss account reported from the previous year, gives a total of $660,262.36 out of which were paid taxes to Dominion and Provincial Governments amounting to $98,325.00, dividends $240,000.00, provision made of $40,000.00 for depreciation of real estate, and $50,000.00 transferred to Contingent Account, leaving a balance of $231,937.36 to be carried forward.

In the past few years funds coming from the reduction of commercial loans and increased deposits have been mostly invested in Government securities. Our bond holdings last year reached $25,756,265.35, the highest point ever attained, being $4,965,590.19 higher than in 1935.

Notwithstanding a larger volume of business, companies and individuals having improved their working capital through economies realized and change of policies, were not in need of enlarged bank accommodation. Loans to commerce, industry and agriculture have again contracted slightly. Total of these loans at the close of the fiscal year amounted to $10,744,261.89, compared with $12,600,497.28 in 1935. Loans to municipalities and School Boards remained at practically the same level.

Deposits totalled $42,749,131.11, compared with $40,640,614.55 in November, 1935. Each year since 1934 there has been an increase in deposits, and at present they are nearing the highest level ever attained by the Bank. Better economic conditions and the practice of thrift mainly in rural districts, have resulted in a period of bank deposit expansion, a very favorable factor, considering that the money deposited in banks is put to productive work.

Our notes in circulation are $3,428,762.00. In conformity with federal legislation the authorized amount of circulation of bank notes was cut down by 5 per cent in January, 1936, and we were frequently compelled to curtail the circulation of our bank notes during the year.

Last year we opened a new branch in Drummondville, on Lindsay Street, a sub-agency at St. Simon de Drummond, and closed our Christopher Columbus Street branch in Montreal. We now have in operation 135 branches and 178 sub-agencies, a total of 313 offices located in the Provinces of Quebec, Ontario, New Brunswick and Prince Edward Island.

In closing this report, we wish to express our appreciation to all members of the staff for their efficient co-operation and loyalty.

For the Board of Directors.
President: CHS. A. ROY.
General Manager: J. U. BOYER.

REPORT OF THE BOARD OF COMMISSIONER - CENSORS.

We have pleasure of submitting to you the 36th annual report of your Board of Commissioner-Censors.

Our monthly meetings have been held at regular intervals; the necessary documents and vouchers and the information required in the exercise of our functions have been supplied to us.

We have verified the Bank's investments and ascertained that the amount of call loans, together with the cash on hand and on deposit with other institutions have always been in excess of the percentage required by your by-laws.

We are pleased to note that the results of the operations for the past year have been very satisfactory.

We would request your approval of the various reports submitted to you, which, in our opinion, testify that your Institution enjoys the confidence of the public in all parts of the country.

For the Board of Commissioner-Censors.
(Signed) E. L. PATENAUDE,
President.

The following are elected members of the Board of Directors:

President, Mr. Chs. A. Roy; Vice-President, Honorable Alphonse Raymond, L.C.; 2nd Vice-President, Mr. Geo. A. Savoy; Messrs. J. Sirois, N.P., Alfred Lambert, J. L. Codere, Honorable Raoul O. Grothe, L.C., C. G. De Tonnancour, Jean Rolland.

Members of the Board of Commissioner-Censors:

President, Honorable E. L. Patenaude, P.C., K.C.; Vice-President, Honorable Cyrille F. Delage, N.P., Messrs. J. L. Fortin, Honorable Lois Cote, K.C., Edouard Labelle, K.C.

Central Bank Profits Soar During 1936

Cover Dividend Requirements More Than Four Times

CIRCULATION HIGHER

Profits of the Bank of Canada on 1936 operations should remove any lingering suspicion in the minds of private shareholders that the additional stock issued last September to transfer ownership to the Government will affect dividends.

Dividends are limited by the Bank of Canada Act to $2.25 a share. This figure was earned more than four times last year.

Net profit of the central bank in the financial year ended Dec. 31, 1936, the first full year in which it has operated, amounted to $2,006,663, equivalent to $9.93 a share on all outstanding stock, both privately and Government owned. This figure represents earnings after provision for contingencies and reserves, and making a small allowance for pension fund.

In all probability, profits would have been substantially higher if the price of silver had not dipped sharply during the year. The bank has inherited the Dominion Government's treaty obligation to purchase not more than 1,671,802 ounces of silver annually, and depreciation in the value of stocks held has been a big drag on profits. In 1935, this factor caused a loss of $489,368. It appears likely that depreciation in 1936 was even greater.

Comparison of Earnings

Comparison of earnings with those shown in the 1935 statement is difficult as the bank began operations in March, 1935, and the report for that year covers a period of slightly less than 10 months. However, in that time, earnings totalled $758,276, or $7.58 a share on stock then outstanding. On a similar basis, earnings for a full year would have been about $910,000.

While no comment has been made by bank officials, it is probable that increased earnings reflect a more "normal" plane of operations. In 1935, profit and loss account had been charged with organization expenses, connected with the opening of the bank. New notes also proved a costly business. Not only had sufficient to be issued to replace the old Dominion notes in the hands of the public and the banks, but a reserve supply had to be stocked up.

Dividends distributed for 1936 amount to $294,793, compared with $239,000 shown in the previous report. Last year's total comprises approximately $225,000 to private or class A shareholders, representing the 4½% yield on the $5 millions of such stock issued; and payment at the same rate on the $5.1 millions of class B or government-owned stock, from mid-September to the year end.

Deduction of dividends from net profit leaves surplus for the year of $1,711,870. In accordance with provisions of the Bank of Canada Act, one third of this has been appropriated to the bank's rest fund, bringing the total carried forward to $743,716. The remainder was directed to the receiver-general as a contribution to Government funds.

Income account figures for the last two years follow:

Income Account
Periods Ended Dec. 31*

	1936	1935
	$	$
Net earnings†	2,008,124	764,228
Less: Pension fund	1,461	5,952
Net profits	2,006,663	758,276
Less: Dividends	294,793	239,000
Surplus for period	1,711,870	519,276
Less: Approp. to gov't. revenue fund	1,141,246	346,184
To rest fund	570,624	173,092
Add: Prev. balance	173,092	......
Rest fund forward	743,716	173,092

*Full year in 1936; from Mar. 11 to year end in 1935. †After provision for contingencies and reserves.

Major changes in the central bank's balance sheet appear in note circulation and investment holdings. During the year, holdings of Dominion and Provincial Government securities advanced $46 millions to $160.3 millions with about two thirds of the increase in short-term issues. It is likely that a considerable part of these additional security purchases was made to provide the additional notes. Note circulation rose during the year from $99.7 millions to $135.7 millions, reflecting in part reduction in note circulation of the chartered banks and in part more active business.

Largest and most significant of the other changes is an increase of about $5.3 millions in deposits of the chartered banks with the Bank of Canada. These deposits are in effect the cash reserves of the chartered banks, and it is through its power in determining the size of these deposits that the central bank influences the credit situation in the Dominion. This increase serves to explain a further part of the greater security holdings.

Eastern Staff of C. P. R. May Move to Toronto

From Our Own Correspondent

MONTREAL. — Consideration is being given by the Canadian Pacific Railway to transfer of the office of the vice-president and general manager of Eastern Lines from Montreal to Toronto, according to a statement made by Sir Edward Beatty, chairman and president of the company.

With the Legislators

Ottawa

Financial: House of Commons rejected two resolutions by Social Credit members the first calling on the Government to consider the advisability of beginning this year to "issue purchasing power," the other asking the House to express its opinion "that the time has arrived in Canada for the adoption of a definite, scientific, nation-wide scheme for financing consumption."

Agriculture: Reorganization of department of agriculture under three directors announced.

First reading given to minor amendments to the Dairy Industry Act, including regulations forbidding the introduction of any foreign matter into milk.

Estimates totalling about $865,000 for agriculture department passed.

Constitutional: Bill touching on change in the succession to the throne given three readings in both Commons and Senate.

Sports: Plaxton resolution for creation of a sports ministry debated and withdrawn.

Elections: Debate held on a resolution by a private member urging amendment of Redistribution Act of 1933 in such a way as to bring about more equitable representation in the House of Commons.

Revision of the existing voters' lists deferred for one year.

Housing: Notice of resolution to precede legislation guaranteeing loans made by lending institutions for the repair and modernizing of houses.

Transportation: Notice of a resolution to precede legislation recasting the capital structure of Canadian National Railways.

Fishing: Private member's resolution urging the Government to cease issuing trap fishing licenses in B. C. waters debated and withdrawn.

Ontario

Hydro: House continues debate on second reading of Bill to reinforce legislation repudiating Quebec hydro contracts by placing hydro outside the power of the courts.

Bill to provide for withdrawal of all moneys posted as security with the Supreme Court in connection with appeals against contract repudiation given first reading.

Bill to clarify the meaning of the consent clause in the Power Commission Act of 1925 given first reading. Roebuck announces plans to develop power in Ontario including purchase of Trent Valley Waterways plants from Canada Cement Co.

Income Tax Problems

Is a retiring member of a partnership responsible for payment of income tax on profits earned up to the time he retired, or is it up to the continuing partner to assume the tax on all profits?

A partnership was dissolved last year, one of the partners taking over all the assets and liabilities. In return, he paid a lump sum to the retiring partner for his interest. This amount was 10 or 15% above the book value.

Dissolution was part way through the financial year. Should a financial statement be made out as at the time of dissolution, showing a portion of profits included in the amount paid to the retiring partner? Or should a statement be made up at the year end which would show all profits for the year accruing to the continuing partner?

The answer to your questions appears dependent on whether or not the payment made to the retiring partner consisted in part of profits. As you are aware, partnerships are not subject to corporation income tax. Each year profits, for income tax purposes, are dealt with simply as the personal income of the partners.

Therefore, generally speaking, a retiring partner is liable for income tax on any part of his settlement which represents profits for the year in which the partnership is broken up—but not on return of his share of the net worth of the business. Details of this settlement, including the proportion, if any, which comprises taxable profits, should have been determined either by the terms of dissolution or the terms of the partnership agreement itself. If this has not been done, your best course would probably be to determine now with your former partner just what the settlement comprised.

By all means a financial statement should have been drawn up when the partnership was dissolved. If not, it will have to be made up, as it is required by the income tax department. A second statement will be asked by the authorities, showing the financial results from the time of dissolution and the condition of the business at the year-end.

This is a regular feature of The Financial Post. If you are a subscriber your income tax problems will be answered here.

Security Offerings

Nova Scotia Light

From Our Own Correspondent

MONTREAL.—Public offering of $7 millions of Nova Scotia Light & Power Co. 4% first mortgage bonds is being handled through Royal Securities Corp.

The purpose of this issue, subject to approval by Nova Scotia Public Utilities Board, is to redeem the outstanding first mortgage bonds of Nova Scotia Light & Power and the first mortgage bonds of Chester Light & Power Co.; to refund the first mortgage bonds of Avon River Power Co., of which $919,200 of series A, B and C were redeemed on Jan. 2 last and $900,000 of series D are to be called for redemption July 1 next; also to fund in part the cost of acquiring and constructing extensions and additions to the property of the company and its wholly owned subsidiaries.

Particulars of the issue follow:

$7,000,000
Nova Scotia Light and Power Co. First Mortgage S.F. Bonds, 4% Series, due 1957

Dated March 1, 1937. Due March 1, 1957. Principal and interest payable in Canadian funds only. Redeemable at the option of the company in whole or in part, on 30 days' notice, at varying premiums.

Company—Nova Scotia Light and its subsidiaries serve approximately a quarter of the population of Nova Scotia and is the largest distributor of electricity in the Maritime provinces.

Sinking Fund: Commencing Sept. 1, 1938 the company will start a sinking fund of 1 per cent of the principal amount of all first mortgage bonds previously issued together with an amount equal to annual interest on such bonds previously redeemed through the sinking fund.

Security: Secured by a first specific mortgage charge on all real estate, plants, equipment and machinery of the company, and on all the issued capital stock and securities of presently owned subsidiary companies and a first voting charge on all other assets of the company.

Earnings: Consolidated earnings of the company and its subsidiaries for the four years ended Dec. 31, 1935, show an average annual net income of about $890,000 available for bond interest, income tax and depreciation. For the 11 months to Nov. 30, 1936, earnings on the same basis totalled $934,961.

Offered: By Royal Securities Corp. at 99 and accrued interest to yield about 4.07 per cent.

Abitibi to Get Timber Limits

It is understood that Abitibi Power & Paper Co. has been given an undertaking by the Ontario Government with respect to the timber limits to be made available to the company when it is taken out of receivership.

It has been known for some months that Hon. Peter Heenan, Ontario Minister of Lands and Forests, has favored reorganization of Abitibi, and it is now suggested that the company will make more rapid progress toward termination of the receivership.

Informal discussions of reorganization proposals have apparently made little progress. One problem is working capital. There are the alternative possibilities of waiting for working capital to be built up from earnings of the receivership, or to borrow funds by creating new securities prior to the present first mortgage bonds. In any event, it is likely to be some time before any reorganization proposal is approved by the various interests involved.

Life Underwriters Elect New Slate

In addition to the election of S. F. Muter, of the Metropolitan Life, as president of the Life Underwriters Association of Canada, the following additional officers were elected at the annual meeting at Toronto last week:

Vice-president: J. E. Matthews, North American Life, Brandon, Man.

Provincial Vice-presidents

B.C.—H. Mottershead, Confederation Life, Victoria.
Alta.—J. A. Isbister, Sun Life, Calgary.
Sask.—Wm. Grierson, Manufacturers Life, Moose Jaw.
Man.—M. R. McKenzie, North American Life, Brandon.
Ont.—Geo. F. Crum, Crown Life, Toronto.
Que.—M. A. de Goumois, Canada Life, Quebec City.
N.B.—H. E. McLean, Manufacturers Life, Saint John.
N.S.—C. A. Potter, Manufacturers Life, New Glasgow.
P.E.I.—T. W. Bentley, Maritime Life, Summerside.
Chairman, board of directors—F. C. Hoy, Canada Life, Toronto.
Hon. treasurer—J. C. Ross, Travelers, Hartford, Toronto.
Hon. secretary—C. V. Earl, Sun Life, Toronto.
Registrar, Institute of C.L.U.—E. Newton Jory, Great-West Life, Toronto.
Chairman, Exec. Council, Institute of C.L.U.—J. M. Tory, Sun Life, Toronto.
Chairman, Membership Committee—H. A. H. Baker, Great-West, Toronto.

Additional members of the board—H. C. Henderson, North American Life, Toronto; J. Vivian, London Life, Brantford; N. L. Ham, Prudential of London, Eng., Kitchener; R. E. Bliss, Confederation Life, Montreal; I. P. McNabb, Dominion Life, Toronto; B. Vise, Imperial Life, Toronto; E. L. Sackville, Manufacturers Life, Peterboro.

"Alcohol" Makes Issue Of Oldetyme Holdings

From Our Own Correspondent

MONTREAL. — Canadian Industrial Alcohol Co. has notified the Montreal Stock Exchange that class A and B shareholders of record Feb. 1 will be given one share of Olde Tyme Distillers Corp. for each five shares held on that date.

Certificates for the shares of Olde Tyme Distillers and fractional warrants in respect thereof will be distributed by City Bank Farmers Trust Co., the transfer agents, at 22 William St., New York, in about two weeks time.

Dominion Bridge Co. Secures New Contract

From Our Own Correspondent

MONTREAL.—Dominion Bridge Co. has been awarded a contract for steel work on the bridge being erected by the Quebec Government across Riviere de Prairie from Pie IX Boulevard to Ile Jesus at a cost of $300,000.

The design of the $600,000 bridge was recently changed from reinforced concrete construction to a four-arch steel span, with reinforced concrete piers and approaches.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Hyd.-Elec. Pr. Ont.	3½-5%	1952	Apr. 1	100
Can. Bread	▲6%	1941	Feb. 1	110
Hospital of Infant Jesus, Que.	...	*	Feb. 1	101
Confed. Amuse. A	6½%	1951	Feb. 1	102
Tor. Harbor C.	4½%	1953	Mar. 1	105
B. C. Power, A	5½%	1960	Mar. 1	104½
Do., series B	5%	1960	Mar. 1	104½
Can. Cons. Rub'r	‡6%	1946	Apr. 1	110
Can. Paper, A	6%	1945	June 4	103½
Dom. Tel. Secs.	†5½%	1978	Feb. 2	100
Regent Knit	6½%	1942	Mar. 1	105
Toronto Carpet	6%	1944	Mar. 1	103
Tonawanda Pap.	5½%	1938	Feb. 1	100½
Do.	5½%	1939	Feb. 1	101
Do.	5½%	1940	Feb. 1	101½
Do.	5½%	1941	Feb. 1	102
Pacific Mills	6%	Serial	Feb. 1	101½
Atlan. Utilities, A	5%	1963	Mar. 1	105
Viceroy Mfg.	6½%	1950	Mar. 1	104
Avon River Pr. D.	5%	1964	July 1	103

For sinking fund: ▲$100,000. †$2,900. *Maturing from Aug., 1937, to 1956. ‡Private sale between Feb. 1 and April 1, 1937, in Canadian funds.

Stock Issues:	Rate		Date	Price
Toronto Elevators	7%	Pref.	Mar. 8	110
Conduits Nat'l	6½%	Pref.	Feb. 1	10

Home Improvement Plan Now Nationally Organized

Dominion wide organization of the National Employment Commission to promote its Home Improvement Plan has now been concluded.

The appointment of Ryland H. New, this week, president of National Sewer Pipe, Toronto, completes the slate of provincial chairmen under the plan.

Under J. Colin Kemp, consulting engineer, Westmount, P.Q., executive director of the H. I. P., these provincial chairmen will be responsible for organizing general promotion work in each province. Details will be turned over to the provincial committees and the Employment Commission will now be free to tackle other major problems.

Provincial chairmen are as follows:

Ontario—Ryland H. New, Toronto.
Nova Scotia—Ralph P. Bell, Halifax.
New Brunswick — A. H. Wetmore, Saint John.
P.E.I.—Edmund T. Higgs, Charlottetown.
Quebec—C. E. Gravel, Montreal.
Manitoba—W. H. Carter, Winnipeg.
Sask.—A. E. Whitmore, Regina.
Alberta—H. M. E. Evans, Edmonton.
B.C.—George Kidd, Vancouver.

Under the Home Improvement Plan, banks and some other lending agencies are offering loans up to $2,000 on each individual property for permanent improvements such as additions, new heating units, new roofs, painting and other decorating or any improvement which will put existing residences into first class shape.

Loans are offered for a period up to three years at a simple interest rate of slightly over 6%. They are repayable monthly and may be secured by any home owner of good financial standing. No security in the ordinary sense of the term is required.

The plan came into national operation on Nov. 1, 1936, and during the first month of its existence $710,000 was advanced. It is expected that when the natural season for home renovation approaches this spring monthly totals will run into several millions. The Government has guaranteed the lenders against aggregate losses up to 15% of a total of $50 millions in loans.

Chatham, Ont., reports that 1936 was a year of progress. The city closed the year with a surplus of $700, with bank loans $60,000 lower, with tax arrears reduced by $58,000 and with debenture debt $108,573 lower.

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Company Reports

Canada Trust

Earnings of Canada Trust Co., London, in 1936 rose to $11.03 a share and covered dividend requirements of $10 per share by the highest margin since 1930. They compared with $10.04 in 1935.

Mortgage holdings were reduced slightly from $1.2 million to $1.1 million and mortgages held in the guaranteed trust account showed a reduction for the year from $7,182,319 to $7,097,528 at the close of 1936. Payments of mortgage interest in cash were substantially higher than in 1935 with the result that the total of unpaid interest was reduced. Internal investment reserves are at a new peak but trust funds for investment were reduced from $8.9 millions to $8.3 millions.

Earnings Record

Year	Paid-up Capital and Reserves	Net Profits*	Div. Rate	Rate Earned per sh.
	$	$	$	$
1931	1,850,000	108,078	10	10.81
1932	1,850,000	100,830	10	10.08
1933	1,850,000	100,206	10	10.02
1934	1,750,000	100,407	10	10.04
1935	1,750,000	100,384	10	10.04
1936	1,750,000	110,307	10	11.03

*After expenses of management and other charges, taxes, and making provision for actual losses.

Public Liabilities and Assets

	1936	1935
	$	$
Trust funds & int.	8,323,960	8,972,396
Secured by assets:		
Liquid assets	1,226,431	1,790,076
Mortgages and int.	7,097,528	7,182,319
Net capital ac. assets	1,803,334	1,793,028
Total	10,127,293	10,765,423
Estates, etc.	23,020,202	22,107,637

Huron and Erie

Cash payments of mortgage interest in 1936 were the most satisfactory experienced by Huron and Erie Mortgage Corp., London, since 1930. Internal investment reserve position was also improved by transfer of $100,000 from undivided profits of other years.

Earnings of the company equalled $6.09 per share, against dividend requirements of $5, compared with earnings equal to $6.05 in 1935 when the dividend rate was $6.

Mortgages decreased during the year to $34.2 millions against $35 millions in the preceding year, but liabilities, including debentures and deposits, remained at about the same level, $38.9 millions. They were secured by assets of $45.3 millions compared with $45.6 millions in 1935.

Holdings of bonds and other quick assets rose from 55% of deposits to 63% of the amount on deposit at the close of 1936. More than 90% of the bonds held are those of Great Britain and Canada.

Earnings Record

Year	Paid-up Capital and Reserves	Net Profits*	Div. Rate	Rate Earned per sh.
	$	$	$	$
1931	7,800,000	400,490	8	8.01
1932	7,800,000	404,724	8	8.09
1933	7,000,000	353,334	6½	7.07
1934	7,000,000	303,880	6	6.08
1935	6,500,000	302,703	6	6.05
1936	6,500,000	304,553	5	6.09

*After management expenses and all other charges, taxes, provision for actual losses, and amount written off office premises.

Public Liabilities and Assets

	1936	1935
	$	$
Canadian debentures	27,158,700	26,905,683
Sterling debentures	2,471,108	2,481,834
Debenture interest	370,352	376,232
Deposits	8,956,881	9,231,464
Total	38,957,041	38,995,213
Secured by assets:		
Liquid assets	5,928,074	5,376,994
Mtge. & sale agree.	34,250,981	35,060,896
Other net assets	5,357,789	5,182,575
Total	45,536,844	45,620,465

Victoria Trust

Earnings of Victoria Trust Co., Lindsay, Ont., equal to $6.84 a share in 1936 were the highest since 1933 and an increase over the figure of $6.80 reported for 1935. They covered dividend requirements of $6 per share.

Investment certificates of the company and deposits rose from $6.3 millions to $6.5 millions, secured by $8.2 millions of assets against $8 millions in the preceding year. Liquid assets rose from $744,922 to $997,538.

Earnings Record

Year	Paid-up Capital and Reserves	Net Profits*	Div. Rate	Rate Earned per sh.
	$	$	$	$
1931	1,670,000	119,284	10	14.83
1932	1,695,000	99,351	10	12.26
1933	1,695,000	64,553	8	7.97
1934	1,695,000	52,641	6½	6.50
1935	1,695,000	55,055	6	6.80
1936	1,695,000	55,436	6	6.84

*Reserve for federal taxes and amount written off premises deducted.

Public Liabilities and Assets

	1936	1935
	$	$
Invest. certificates	5,048,077	4,889,442
Deposits	1,517,798	1,417,295
Total	6,565,875	6,306,737
Secured by assets:		
Liquid assets	997,538	744,922
Mortgages & int.	5,568,337	5,561,815
Net capital ac. assets	1,710,698	1,703,863
Total	8,276,573	8,010,600
Estates, etc.	957,340	964,276

Eastern Canada Savings

Highest since 1933, earnings of Eastern Savings and Loan Co., Halifax, equalled $8.27 per share in 1936 against $6.11 in 1935 and $6.81 in 1934. The dividend remained at the 1933 rate of $6.

The company added $8,000 to its reserve fund in 1936, bringing the total to $308,000 or 41% of the paid-up capital. It was not necessary to call upon depreciation reserve of $70,000 as the real estate held was reduced during the year. Market value of bonds and stocks owned by the company is $50,000 in excess of the book value shown in the company's annual report.

Earnings Record

Year	Paid-up Capital and Reserves	Net Profits*	Div. Rate	Rate Earned per sh.
	$	$	$	$
1931	1,157,000	99,295	8	13.23
1932	1,111,200	82,841	8	11.04
1933	1,050,000	55,368	8	7.38
1934	1,050,000	51,075	6½	6.81
1935	1,050,000	†45,863	6	6.11
1936	1,058,000	62,042	6	8.27

*Less taxes and depreciation on office buildings, etc.
†Less depreciation reserve of $8,400.

Creditors' Position

	1936	1935
	$	$
Debentures	2,633,782	2,622,053
Deposits	579,552	560,806
Total	3,213,334	3,182,859
Secured by:		
Liquid assets	468,668	489,558
Mortgages & int.	3,688,533	3,610,181
Other net assets	200,945	210,889
Total	4,358,146	4,310,628

Toronto General Trusts

Although mortgage conditions affecting the company's business in western Canada were generally unfavorable, earnings of the Toronto General Trusts Corp. in the year ended Dec. 31, 1936, were equal to $7.49 a share, representing the third successive increase since 1933, and comparing with dividend requirements of $4 a share.

Unfavorable economic conditions in western Canada and moratorium legislation have resulted in a number of debtors making negligible mortgage payments in many cases, and auditors of the company are unable to form any opinion of the position of mortgages, agreements for sale and real estate held by the company in western Canada. Debt legislation in Alberta, which counsel "have advised is invalid and is now before the courts," further aggravated the situation in this respect.

Earnings Record

Year	Paid-up Capital and Reserves	Net Profits*	Div. Rate	Rate† Earned per sh.
	$	$	$	$
1931	6,750,000	398,507	12	13.28
1932	6,000,000	341,871	10.50	11.40
1933	5,000,000	230,955	7	7.70
1934	4,500,000	185,069	6	6.17
1935	4,500,000	191,774	5	6.39
1936	4,500,000	224,784	4	7.49

*After all management expenses, directors' fees, advertising, rents, tax reserve, and all other charges or contingencies.
†Before appropriations for premises and equipment.

Public Liabilities and Assets

	1936	1935
	$	$
Invest. certificates	14,190,557	15,370,006
Deposits	6,441,126	6,328,932
Total	20,631,683	21,698,938
Secured by assets:		
Liquid assets	6,610,798	6,993,517
Mtges. & int.	14,020,884	14,705,421
Net capital acct. assets	4,706,277	4,651,493
Total	25,337,959	26,350,431
Estates, etc.	215,340,916	209,026,346

Hudson Bay Mortgage

A net profit of $1,053 for 1936 is reported by Hudson Bay Mortgage Co., Ltd., of Vancouver. Dividends of 25 cents a share on the preferred were unchanged from 1935, but there were no earnings available for the common stock. The preferred is a 5% cumulative issue of $10 par value.

Investments of the company stand at $78,753.

Shareholders' Position

	1936	1935
	$	$
Divs. paid, pref.	0.25	0.25
Net profits	1,053	‡551
Reserve	278	3,152
P. & L. surplus	6,762	7,254

‡Loss.
*No earnings or dividends on common.

Windsor Hotel

Windsor Hotel Ltd. for 1936 reports improvement; liquidation of bank loans of $90,000 and a drop in net working capital.

Net earnings after operating expenses, general taxes, interest on bank loans and provision for bad and doubtful debts, amounted to $133,776, as against the comparative figure of $107,847 in 1935. While this was an improvement, it was not sufficient to cover bond interest before or after depreciation. Net loss for the year at $152,556 compared with $178,485 in the previous 12 months.

Working capital position of the company has not reached a point justifying the resumption of interest payments. Cash on hand at $75,031 compared with $29,156 at the end of 1935. Investments stand on the books at $452,448 compared with a market value of $255,779. In the 1935 statement, the book value of investments was $479,144 and the market value $198,067.

	1936	1935
	$	$
Net earnings	133,776	107,847
Deduct:		
Bond interest	186,333	186,333
Depreciation	100,000	100,000
Net loss	152,556	178,485
Surplus	‡152,557	‡178,485
Previous surplus	‡367,079	‡188,594
Profit and loss bal.	‡519,636	‡367,079

‡ Deficit.

Working Capital Position

	1936	1935
	$	$
Current assets	617,238	605,959
Current liabilities	462,470	390,431
Working capital	154,768	215,528

Canada Foundries

Canada Foundries & Forgings financial statement for 1936 shows a net operating profit of $79,880, compared with $57,470 in 1935 and income from investments $1,000 as against $133. Net profit after senior charges was $39,371, compared with $16,458 in the previous year. This was equivalent to $1.03 on the A shares, an increase of 60 cents over 1935.

The balance sheet shows that funded debt was reduced by $13,000 during the year, leaving the amount outstanding at $86,300. Also 400 shares of A stock were purchased and cancelled. The excess of current assets over current liabilities totalled $277,187, as against $181,760 at the close of 1935.

Belding-Corticelli

Belding-Corticelli's financial statement for the fiscal year ended Nov. 30, 1936, shows net earnings of $367,907 or practically the same as reported in the preceding year. Net available for distribution on the common stock totalled $46,199, as against $41,769 in 1935. Changes in the balance sheet are relatively minor. Investments declined during the year from $229,580 to $133,216.

Profit and Loss Account
Year Ended Nov. 30

	1936	1935
	$	$
Net earnings	367,907	352,963
Less: Bond interest	......	3,155
Depreciation	169,492	147,898
Income tax	30,000	30,000
Advert. reserve	20,000	21,586
Emp. insur.	......	10,000
Directors fees	7,116	6,180
Exec. salaries	31,410	29,010
Legal fees	3,118	2,794
Net profit	106,770	102,340
Less: Pfd. divds.	60,571	60,571
Com. dividends	29,980	29,980
Surplus	16,219	11,789
Previous surplus	495,193	483,405
Surplus forward	511,413	495,194

Working Capital

	1936	1935
Current assets	1,124,867	1,115,078
Current liabilities	238,412	232,666
Working capital	886,455	882,412

J. S. Mitchell

Sharp improvement is shown in the net earnings of J. S. Mitchell & Co., the statement for 1936 indicating $3.08 a share on the common stock, as against $1.57 a share in the previous year.

Total income for the year at $268,041 compared with $231,667 in 1935. There was a moderate increase in expenses and a small reduction in the preferred dividends, owing to the redemption of preferred stock.

The balance sheet shows an improvement in cash on hand which was in excess of the reduction in government bond holdings from $99,000 to $72,750. Mortgages payable declined during the year by $10,000 to $38,000, while the preferred stock outstanding now totals $278,100 compared with $202,600 at the end of 1935.

	1936	1935
	$	$
Gross profit	261,169	223,967
Other income	6,872	7,700
Total income	268,041	231,667
*Expenses, etc.	203,431	186,775
Operating profit	64,609	44,892
Misc. income	1,877	......
Net profit	66,487	44,892
Pfd. dividends	20,280	21,245
Com. dividends	15,000	15,000
Surplus	31,207	8,647
Previous surplus	359,349	351,557
Sundry adjust.	7,745	856
Surplus forward	382,811	359,349

*Selling, delivery and other expenses, including depreciation, reserves for doubtful accounts and provision for 1936 income tax.

Working Capital Position

	1936	1935
Current assets	900,750	846,657
Current liabilities	228,080	175,552
Working capital	672,670	671,105

Gypsum, Lime

Though conditions in the building trade were not as satisfactory as had been expected, Gypsum, Lime and Alabastine (Canada) profits during the year ended Nov. 30, 1936, amounted to $860,250, as against $723,704 in the previous year.

After taking care of prior charges, net revenue available for interest and depreciation was $453,396, as against $368,271. Both interest charges and depreciation were covered in the past year's accounts, whereas in the previous 12 months there was a small deficit. Further the accounts for the past year are swelled by inclusion of $107,155, representing profit on sale of shares of Gyproc Products Ltd., a British subsidiary.

The balance sheet shows a general strengthening with no major changes. During the past year the company built a rock wool plant at Caledonia, the expenditure being reflected in an increase in the property account from $3.6 to $3.8 millions.

Profit and Loss Account
Year Ended Nov. 30

	1936	1935
	$	$
Gross profit	860,250	723,704
Less: Sales exps., etc.	381,331	330,593
Exec. salaries	15,000	14,000
Directors' fees	10,299	10,180
Legal fees	1,605	2,089
Add: Other income	1,381	1,429
Net revenue	453,396	368,271
Less: Interest charges	226,362	227,339
Depreciation	179,029	175,277
Income tax	8,959	......
Bad debt reserve	......	11,783
Sub. losses	......	1,965
Add: Gyproc share profit	107,156	......
Bond treas. profit	......	261
Surplus for year	146,200	47,812
Previous deficit	47,812	*504,867
Surplus forward	98,388	47,812

*Applied against reduction in capital.

Working Capital

	1936	1935
Current assets	1,128,708	850,482
Current liabilities	225,898	190,365
Working capital	802,810	660,117

British Mortgage

Reduction in earnings of the British Mortgage and Trust Corp. of Ontario during 1936 left earnings per share equal to $8.32 compared with $10.11 in the preceding year, but they were sufficient to cover dividend requirements of $8 a share and leave a surplus of $26,799 to be carried forward to 1937 against $22,593 carried forward in profit and loss account at the end of 1935.

"Substantial increases have been made in internal reserves," however, and directors believe "that proper provision has been made for depreciation in book values." The annual report notes a further increase in public funds in the hands of the company.

Comparative figures follow:

Earnings Record

Year	Paid-up Capital & Reserves	Net Profits	Div. Rate	Rate Earned per sh.
	$	$	$	$
1931	1,825,000	138,356	*12	13.83
1932	1,825,000	126,052	12	12.60
1933	1,700,000	103,929	10	10.39
1934	1,825,000	83,766	8	8.37
1935	1,825,000	101,064	8	10.11
1936	1,825,000	83,206	8	8.32

*Stock dividend of 25 per cent paid April 15, 1931.

Public Liabilities and Assets

	1936	1935
	$	$
Inv't. receipts & int.	3,337,106	3,294,360
Deposits	2,000,101	1,915,474
Total	5,337,207	5,209,834
Secured by assets:		
Liquid assets	1,246,558	879,879
Mortgages & int.	4,090,649	4,329,955
Net cap. acc. assets	1,851,800	1,847,594
Total	7,189,007	7,057,428
Estates, etc.	784,636	744,881

The de Havilland Aircraft

The de Havilland Aircraft of Canada reports net profits of $1,651 for the year ended Sept. 30, 1936, and an increase of some $7,000 in working capital. F. L. Trethewey reports that sales decreased from $169,275 in the preceding year to $155,942, due largely to a lower price scale. The outlook for business in the current year is believed brighter, but the Trans-Canada air mail service will probably not benefit the company as the types of aircraft to be used are not those it manufactures. Mr. Trethewey anticipates, however, that the company may provide equipment for feeder lines.

Income and Surplus Account
Years Ended Sept. 30

	1936	1935
	$	$
Net earnings*	2,097	†4,977
Income tax reserve	446	900
Net profit	1,651	4,077
Previous deficit	30,683	37,946
Profit on bonds sold	432	3,186
Deficit carried forward	28,600	30,683

*After providing for depreciation but before income tax.
†Net operating profit after depreciation of $7,836. Net trading profit was $10,500 in 1935.

Working Capital

	1936	1935
	$	$
Current assets	200,263	192,053
Current liabilities	37,693	36,345
Working capital	162,570	155,708
Ratio	5.32—1	5.28—1

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TENDERS FOR BONDS

SEALED TENDERS addressed to the undersigned at the City Hall, Brantford, Ontario, and marked "Tender for Bonds" will be received up to Twelve o'clock noon, January 30th, 1937, for the purchase of the following Debentures:—

By-Law No. 2570A, $50,000.00—20 Year Serials 3½%.

By-Law No. 2569, $165,000.00—10 Year Serials 3½%.

The above Debentures are dated December 31st, 1936, and will be issued in denominations to suit the purchaser.

Payment will be required in Brantford Funds on delivery of Debentures and purchaser will pay accrued interest to date of delivery of Debentures, which must be accepted on or before March 31st, 1937. Full particulars may be had on application to the undersigned.

TENDERS will be opened at a special meeting of the General Executive Committee on January 30th, at 2.00 p.m., and the sale ratified by By-Law at a meeting of the City Council, on February 1st, 1937.

Brantford's Financial position is sound. All payments due on Debentures have always been promptly met at maturity, both as to interest and principal.

DATED AT BRANTFORD this twentieth day of January, 1937.

E. A. DANBY,
City Treasurer.

PROSPECTORS INVESTMENTS LIMITED

Underwriters

SKOOKUM GOLD MINES LIMITED

	Office	Nationality	Residence	Occupation
B. J. Cavanagh	President	Canadian	Toronto	Prospector
J. A. Smith	Vice-President	Canadian	Toronto	Manager
Murray R. Raymond	Secretary-Treasurer	Canadian	Toronto	Sales Representative

244 BAY STREET, EL. 9168, TORONTO

Week in Mining

Protection Advocated For Mining Industry

Elimination of Crook Promoters Urged as Aid to Sound Promotions — Foreign Capital Interested

Canada's mining market is attracting international attention, as is evidenced by the increasing number of articles and comment on the Canadian situation appearing in foreign journals. Another indication is the amount of outside capital, particularly from England, now seeking profitable pasture in Canadian mining. This is, of course, all to the good.

It should be borne in mind, however, that the intensive market action also attracts the undesirable element of shyster, whose presence in Canada The Financial Post has been recording in the past few weeks.

The fact that three or four notorious promoters have been allowed to operate with impunity in Canada does more harm than that measured by the amount of money they have mulcted from the public. Their presence here encourages others of their kind to flock across the border. Perhaps even more important is the danger of diverting or hampering the flow of capital into the many sound enterprises in the mining industry.

That Ontario is not the only province visited by these men is evidenced in the recently issued warning of Frank E. Woodside, manager of the British Columbia Chamber of Mines, to the effect that there was in British Columbia an active coterie of mining fakers.

All evidence points to the fact that the Canadian mining industry is facing a new era of prosperity. It is to the interest, therefore, of the whole industry that these men be told, here and now, that they will have a nerve-racking time in Canada.

Investment Trend

AN ARTICLE in another column points out that available records of large investment trusts indicate a tendency to sell shares in the established gold producers, and invest funds in the base metal stocks.

This policy, which appears to be quite marked, may be motivated by several factors. Most logical seems to be the theory that, in the opinion of these trusts, the advantages of $35 gold over the next few years have been fairly thoroughly discounted by the market values of the gold shares, and that the time is ripe for a marked movement in the base metal stocks. It does not, of course, imply that there is anything structurally weak about the gold stocks. Floating capital, such as represented by trust funds, is more interested in capital appreciation.

Another obvious reason for the tendency to sell gold stocks is straight profit taking. Canadian senior golds have enjoyed a considerable appreciation in the past year or so, and it would be quite understandable for these firms to take their profit.

It will be interesting to note in the coming months whether or not such trusts have appreciated the opportunities in some of Canada's secondary gold stocks.

* * *

Teck Buying

IN CONNECTION with the above, it may be significant that officials close to the picture at Teck Hughes Mines are apparently increasing their holdings. As noted, both Dr. D. L. H. Forbes, president and general manager, and H. C. McCloskey, secretary of the company, have, according to Securities Exchange Commission reports, increased their holdings in Teck.

It has been argued for some time in investment circles that purchase of Teck Hughes stock is an economical way of obtaining an equity in the healthy young subsidiary, Lamaque Gold Mines. Teck Hughes itself has a working capital of around $2.2 millions, exclusive of its interest in Lamaque, which amounts to 70.8% of the common stock and the entire issue of $2 millions in 5% mortgage bonds due Feb. 1, 1941.

Officially, Teck Hughes is expected to operate at its present basis for three more years. It is argued that few big mines in Canada have ore reserves larger than three years supply in any event, and while the results at Teck's lower levels have been negative, there is at least a gambling chance of something breaking.

* * *

McIntyre's Earnings

THE insignificant decline from $3.31 per share to $3.30 per share shown in McIntyre Porcupine's nine month report is, of course, unimportant. Over a period of years, however, earnings figures from such major mines do appear to indicate that they have reached as high an annual earnings rate as they can, under $35 gold.

McIntyre's per share earnings reached their peak in the fiscal year 1934, when $5.06 was earned. Of this, about 14c. per share was due to profit on sale of bullion stores, a non-recurring profit. Deducting this item, however, still leaves 1934 the peak year. Earnings for 1935 fiscal year amounted to $4.49, and 1936 to $4.03. Indications are that the current fiscal year will, when the report is published in June, show earnings per share of around $4.30, which, while an improvement on last year, is quite a distance from the 1934 peak year.

* * *

Dollar Parity

FOR the sake of the record, it is worth noting that President Roosevelt has been granted by Congress an extension until June 30, 1939, of his power to devalue the United States dollar to 50 per cent of its former parity.

The fact that Congress would grant this power was, of course, forecast as soon as election returns were in, and the action of Congress has little significance.

Opinion is still sharply divided as to whether the U. S. president will ever have occasion to use this power, but the preponderance of opinion appears to hold that he will hesitate a long time before devaluing further, and the need for such action appears to have passed.

* * *

Bralorne Outlook

THE Vancouver correspondent of The Financial Post in an article appearing elsewhere forecasts an increase in the dividend rate from 60 to 80 cents per annum at Bralorne Mine. This forecast is, of course, not official but appears to be based on reliable estimates.

It is interesting to note that the output for the first half of 1936 was $165,250 monthly on the average. In the second half of 1936 the average monthly production was $216,000. Thus an increase in dividend appears at least probable.

In addition to the above facts a new vein has been discovered on the 8th level, which is also a favorable development from the dividend standpoint.

Basis for the prediction of an increased dividend is therefore a combination of higher output, lower cost (due to increased daily capacity and unification of the Bradian and Bralorne property) and recent ore developments.

* * *

Index to Mining Stocks

WEEKLY mining price averages showed moderate gains in both the gold and base metal groups, but day to day figures from January 14 to 21 were barely stable for golds, and revealed weakness in base metals. Trading volume among senior mining issues has been declining since the beginning of 1937. The price index for 21 gold stocks fluctuated narrowly between 139.1 and 140.0 during the week, closing strong at the latter figure on the lightest trading of the current year. Base metals dropped from 340.8 on Jan. 14 to 333.1 on Jan. 21, reflecting declines in base metal commodity prices. The Bureau's base metal stock price index fell nearly eight points on Jan. 19 when the London copper market suffered the sharpest reaction in several months.

English Group Buy Quemartic Interest

Further English money for Canadian mining is reported, this time for Quemartic Mines, in which English interests are reported to have taken a large participation. The unnamed English group are stated by Quemartic officials to have been prominent for many years in the financing of South African Mines.

Quemartic Mines holds some 29 claims immediately adjoining Sladen Malartic on the west. J. P. Norrie, who is consulting engineer for several of the more prominent properties in this field has reported favorably on the Quemartic property.

Directors of Quemartic comprise G. P. Campbell, W. J. Hussey, H. J. Mero, Russell A. Whitley, with a fifth director to be appointed by the English group.

Mining News Concentrates

Bilmac Gold Mines—reports that underground work on the Saville vein on the 170-ft. level is in 83 ft. Free gold was encountered 63 ft. in and continued up to the face.

* * *

Brown Cadillac Mines—on the advice of R. C. Bryden, consulting engineer, Art Seely has been appointed mine manager. Development work will be speeded on this property which is located west of Thompson Cadillac.

* * *

Dorval Siscoe Mines—is operating three diamond drills to prove geological conditions at depth. The company reports that the results from this work to date have been very encouraging. In the meantime the shaft is being continued and is now at a depth of about 100 ft. The first station will be cut at 300 ft. The property adjoins Siscoe Gold Mines in the Siscoe area of Quebec.

* * *

Makwa Champagne Gold Mines—W. J. Lawson, president, states that active operations of the company's property east of Leitch Gold Mines in Sturgeon River will be carried out as soon as weather conditions permit a diamond drill to be sent in. The Champagne property will also see further development, Mr. Lawson states.

* * *

Nipsona Mines — Officials state that plans are under way for a new development campaign to be carried out on a newly acquired property in the Beardmore Gold area. It is planned to discard the old McKenzie-Jarvela property on which heavy option payments become due this year and which failed to stand up under diamond drilling last summer. The new property will be diamond drilled.

* * *

Old Diamond Gold Mines—Directors of this company report that Colin Campbell, who recently examined the property will direct further development on the "Mispickle" vein. This work will take two or three weeks at the end of which time Mr. Campbell will complete his examination and report more fully.

* * *

Packsack Mines — H. R. Drummond-Hay, president of this Manitoba property reports that the ore shoot encountered on the second level has now been extended in an easterly direction and samples taken along a length of 25 ft. show an average of $9.61 over an average width of 2.5 ft. In conjunction with the report recently made, the total shoot now averages $78.95 over a width of 2.3 ft. and along a length of 50 ft. of vein, Mr. Drummond-Hay points out.

* * *

Scott Chibougamau Mines has let a contract for a drilling of a minimum of 5,000 ft. on the Duchesne Island claim, in the Chibougamau district. The operation will be under the technical direction of the McKay (Quebec) Exploration Ltd. vendors of the property.

* * *

Teck-Hughes has dropped its option on the property of **Oriole Mines,** in the East Kirkland Lake area. At the same time, The Financial Post is reliably informed, negotiations for the optioning of the **Martin-Bird Gold Mines** property at Larder Lake are under way, with a definite announcement expected shortly.

* * *

Young-Shannon Gold Mines. Reports from the property released by officials state that the vein in the break on the second level has now been drifted on for eight feet and contains a section two feet wide of well-mineralized quartz and sulphides. Drifting to the westward probably 100 ft. will be necessary to reach the ore shoot which on the level above averaged $14.35 across three feet for 70 ft. in length.

Eastern Funds Are Big Factor In Oil Picture

B. & B. and Westside Well Seen as Keynote to Boom

From Our Own Correspondent

CALGARY. — As hundreds of thousands of dollars change hands on the floor of the local stock exchange daily and at oil stock "auction marts" at night, it is generally recognized that Calgary is in the midst of an oil boom comparable with the 1929-30 boom at its height.

True, the value of the shares is not as high as it was in the last boom, but the volume of shares being traded is considerably in excess of the volume in either 1929 or 1930. For instance, on one day recently, the Calgary Stock Exchange reported a turnover of nearly 550,000 shares for the day. In 1929, at the height of the boom, a 200,000-share-a-day market was something to get excited about.

One marked difference between the Alberta oil stock boom of the pre-depression years and the present one is the great influx of eastern Canada money. Many eastern Canadians speculated in the 1929-30 boom, probably to their sorrow, but eastern participation in so far as Alberta oil stocks were concerned, was not nearly so heavy as at the present time.

Will it Continue?

The crude oil discovery on the west flank of Turner Valley is, of course, the foundation for the present excitement, coupled with the fact that some issues were being traded at very low prices. Continuance of the boom depends largely upon the results attained at the B. and B. and West Side well, both being drilled in the limestone in the "crude oil area" and expected to be completed in a few weeks.

There is also the possibility that certain wildcat wells, notably Arca, near High River, and Hunter Valley, west of Olds may prove up an entirely new field at any time. Arca, the deepest well in the British Empire, is being drilled in the limestone below 8,800 ft., while Hunter Valley is being drilled in a formation just above the limestone at about 7,050 ft.

Excitement has been occasioned by a report that the largest private deal in the history of Alberta oil may be completed. W. S. Herron, pioneer oil operator and president of Okalta Oils, stated he had been approached by a group which desired him to sell his control in Okalta Oils. Mr. Herron said he would not sell for less than "between $2 millions and $3 millions." According to Mr. Herron, the deal will not be completed "in a hurry and it might not be completed at all. I merely told them I would consider the matter," he said.

"No-sell-Herron"

Mr. Herron was an "oil millionaire" during the 1929-30 boom. He is known as "No-Sell-Herron" in Calgary in view of his often repeated advice not to sell Alberta oil stocks. It is believed, however, he was forced to unload a considerable block of Royalite shares during the depression to retain his control of the Okalta Company. Mr. Herron, with the late A. W. Dingman, was responsible for the discovery of Turner Valley years before the war and he was interested in the drilling of the Dingman discovery well in 1912, later taken over by Imperial Oil, through its newly-formed subsidiary, the Royalite Company.

Heavy trading has prevailed in Okalta Oils stock for months. It is believed that the group, whose identity Mr. Herron declines to reveal, has been endeavoring to secure control of the company, without success, by purchases in the open market before approaching Mr. Herron. Okalta has $270,000 outstanding in $60 par value preferred stock and 1,800,000 common shares of no par value. The company has closed agreements for the drilling of approximately 18 wells on Okalta land in Turner Valley by various companies, Okalta to receive royalties ranging from 10 to 15% on production.

Dalhousie Buying

Heavy buying of Dalhousie stock by Eastern capital has featured Calgary Stock Exchange transactions of late. Upon the success of Dalhousie 8, now drilling below 5,800 ft., rests the answer to the question whether the crude oil area on the west flank in Turner Valley continues in a northerly direction or not.

Dalhousie, a subsidiary of Royalite, which, in turn, is a subsidiary of Imperial Oil, is drilling its No. 8 well in unproven bush country. A strike would be of tremendous significance in the view of oil men. So far there has been nothing to indicate whether the well will be a success or not. Production is not expected until the limestone is penetrated.

Mining Enquiry

MacIntosh Oil & Gas

Could you supply me with some information regarding MacIntosh Oil & Gas Co. which I believe has its headquarters in Petrolia, Ont.?

MacIntosh Oil & Gas Co. owns under lease prospective oil land in Enniskillen Township in the Petrolia, Ont., field. Frank R. MacIntosh, president and vendor of the property, informs The Financial Post that a contract has been let for the drilling of 15 wells. The company reports that it already has four wells equipped with large casing and ready for pumps. It predicts the work necessary to put these wells into operation will be completed some time this month.

The company is capitalized at $225,000 in 45,000 shares of the par value of $5 each. According to the prospectus, 1,000 shares have been issued for the property. This stock has been placed in escrow.

The company has not issued any financial statement as far as we are aware and therefore it is impossible to estimate the financial position of this concern. As you probably realize, such investments are highly speculative and should not be considered by anyone who is not in a position to absorb any possible loss.

McIntyre Holds Earnings Level

Earnings in Last 9 Months of 1936 at $3.30 Per Share

Earnings of McIntyre Porcupine Mines, for the nine-month period ended Dec. 31, 1936, show little change when compared with the similar period of 1935, working out to about $3.30 per share net in the 1936 nine-month period as compared with $3.31 in the 1935 period.

Costs, which include development costs, are considerably higher in the 1936 period, as shown in the table below. Taxes, and depreciation write-offs are lower.

The following table shows the record for the nine-month period ended Dec. 31, 1936, compared with that ending Dec. 31, 1935:

Income Account
Nine months ended

	Dec. 31, 1936	Dec. 31, 1935
	$	$
Gross income	6,367,751	6,365,825
Less: Costs incl. devel.	2,993,770	2,904,198
Taxes	520,453	562,447
Depreciation	221,951	260,018
Net income	2,631,577	2,639,162
Earned per share	3.30	3.31

New Litigation In Legal Tilt Over Pioneer

Holder of Stock in Old Company Opens Suit For Acounting

From Our Own Correspondent

VANCOUVER.—Further litigation involving the Pioneer Gold Mine in Bridge River has come before the courts of British Columbia in new form.

The suit is for substantially the same things as were sought in the action begun in 1932 by Andrew Ferguson who failed on a technicality before the Privy Council. The action is brought by "Pioneer Gold Mines, Ltd. (in liquidation) against Alfred E. Bull, Robert E. Boucher, Francis J. Nicholson, executors of the estates of the late General J. Duff Stuart and Adam H. Wallbridge."

All these men are present or former directors of Pioneer.

After Ferguson's suit failed, Vernon Lloyd-Owen, who holds 10,000 shares in the old Pioneer company, carried to the Privy Council his petition for an order directing the liquidator to sue for a declaration that 800,000 shares of Pioneer Gold Mines of B. C., Ltd., stock issued March 30, 1928, is the property of the company now in liquidation.

Although he failed in the British Columbia courts, the Privy Council decided in his favor last July and authorized him to sue in the company's name for an accounting in connection with the sale of Pioneer mine to the present company.

Indications are that the legal snarl will continue for some time.

Meanwhile development of the deep level at the Pioneer Mine continues and production in December, as reported recently in The Financial Post, was higher than the estimate.

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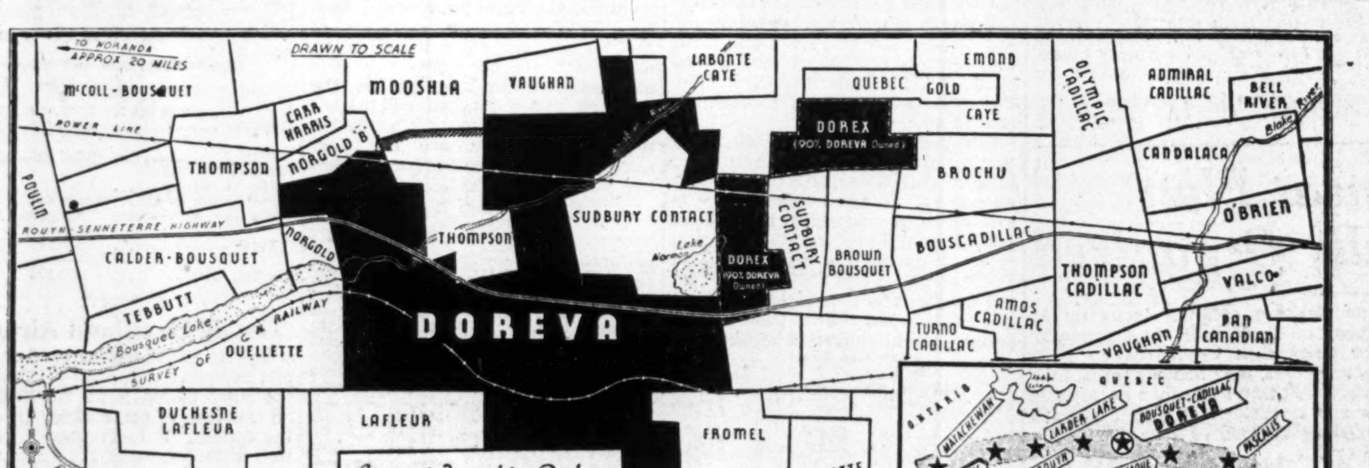

A study of this map of the extensive Bousquet-Cadillac ore zone will emphasize why —

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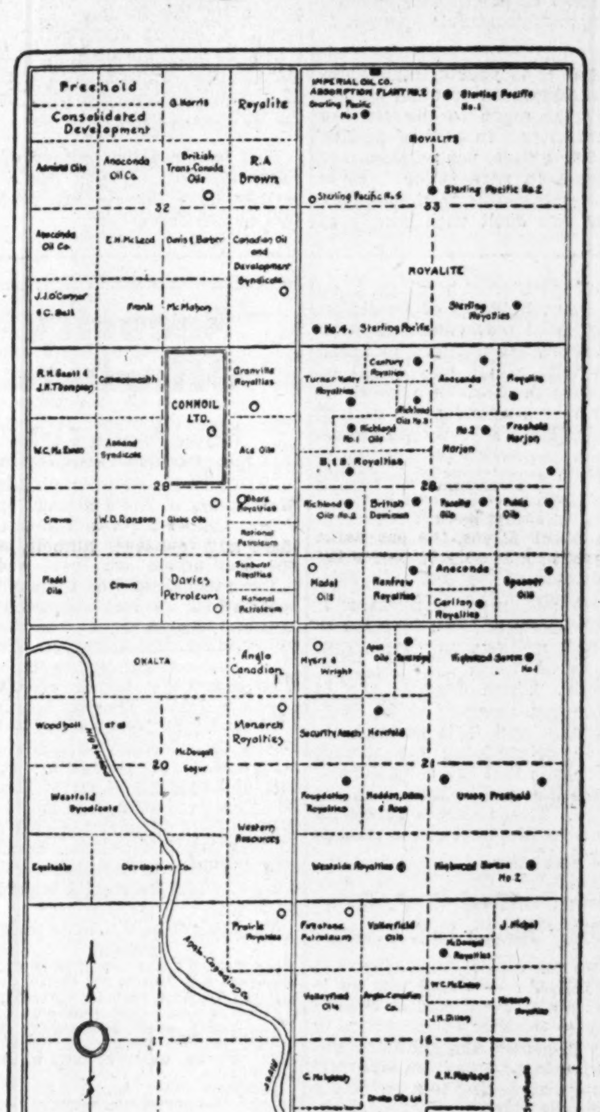

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Present Issue:
600,000 Shares

The shares issued to Commonwealth Petroleum Limited for 80 acres are held in escrow until released by the Board of Public Utilities.

IN ADDITION COMMONWEALTH HAS PURCHASED FOR CASH 90,000 SHARES, SO THAT OPERATIONS WILL BEGIN IMMEDIATELY.

A contract has been entered into with Calmont Oils Ltd. for the rental of an up-to-date and complete heavy duty rotary drill, paid for in cash and shares.

Drilling will be under the supervision of Hilary Head and Clarence Snyder.

NOTE: A trust agreement has been made with the Prudential Trust Co., Ltd., whereby 50% of the net production is reserved for the benefit of shareholders.

Applications Will Be Made for Listing on Calgary, Vancouver and Toronto Exchanges.

ALL LEGAL MATTERS HAVE BEEN ATTENDED TO BY THE FIRM OF McLAWS, REDMAN & LOUGHEED.

Geological Report

"... Your Lease is located less than one-half mile west of the Turner Valley Royalties well and a favorable structural condition may be anticipated. The depth to the limestone should be approximately 6,500 feet.

"In view of recent developments in this area and the apparently favorable location of your Lease I believe commercial quantities of crude oil will be obtained, and recommend that a well be drilled to a depth sufficient to test the producing horizons of the limestone.

(Signed) R. V. JOHNSON."

Compare Commoil With Other Companies—80 Acres in South Turner Valley as Against 20 and 40 Acre Company Formations. Notice the Shares Given For Property.

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ASK YOUR OWN BROKER WHAT HE THINKS!

Several Mines Qualify As Insurance Investment

Survey of Gold Producers of Dominion Shows Legislation Is Complied With by a Handsome Margin

Of far reaching significance is the decision of leading Canadian life insurance companies, that good Canadian gold stocks provide worthy material for their investment portfolio.

This trend was discussed at some length in The Financial Post of Jan. 16, and some of the eligible mining stocks tabulated.

The Financial Post understands on reliable authority that among the life insurance companies to adopt this policy are Crown Life Insurance, which recently bought $100,000 worth of Canadian mining stocks; National Life Insurance Co., whose new president, H. Rupert Bain, is a prominent mining broker; Montreal Life, whose president, Arthur P. Earle, has long been known to be interested in mining; and Imperial Life, on whose board are J. P. Bickell and Charles McCrea, well-known mining men.

Legislation governing the investments of life insurance companies in Canada is very strict. It is felt that of the three investment factors—security, yield, and appreciation—the greatest of these, for insurance companies, is security, handling as they do the small savings of millions. These millions pay their annual premium not with any thought of obtaining a high yield, or an appreciation on their money. They are after security for themselves and their dependents. That is why the policy of Canadian insurance companies, as reflected in the Insurance Act, has been so strict.

The Test

Accordingly, life insurance companies may not invest their funds in any common stock which has not paid dividends of 4% per annum or, in the case of no par value stock, at least $4 per annum, for at least seven years, prior to the date of purchase.

It is interesting to examine the eligible mining stocks, and to see by what a wide margin many Canadian companies comply with this rigid rule.

The eligible companies, under the above clause of the Insurance Act, are:

McIntyre Porcupine.
Hollinger Consolidated.
Teck-Hughes.
Lake Shore.

Some doubt appears to exist regarding the eligibility of Consolidated Mining & Smelting Co. and Dome Mines, for reasons which will be discussed later.

McIntyre Porcupine

Taking these in order, a glance at the record shows that McIntyre Porcupine Mines started paying dividends in 1917. In that first year, McIntyre would have easily passed the per cent ruling, paying no less than 50 cents per share or 10% of the $5 par value stock, as compared with the required 4%. The following year McIntyre paid 15% of the par value in dividends, and the year after that, 10%. Since 1919, McIntyre Porcupine has never paid less than 15% and for the last three years, has paid 40%.

The record in this regard is as follows:

McIntyre Dividends

Year	Rate %	Amount
1917	10	$361,028
1918	15	541,542
1919	10	364,028
1920	15	600,069
1921	15	551,487
1922	15	551,487
1923	15	551,487
1924	15	559,639
1925	20	798,000
1926	20	798,000
1927	15	598,500
1928	20	798,000
1929	20	798,000
1930	20	798,000
1931	20	798,000
1932	20	798,000
1933	27½	1,097,250
1934	40	1,596,000
1935*	40	1,596,000
1936*	40	1,596,000
Total		$16,150,517

*In the 1935 fiscal year five quarterly dividends were actually charged to the surplus account and in 1936 three quarterly dividends were charged; no change however was made in the dates or rate of payment.

In connection with McIntyre, there is another feature of importance to its eligibility. McIntyre Porcupine, as everyone interested in mining knows, has in the face of periodic criticism from dividend-hungry shareholders, adhered to a policy of building up strong cash reserves. In other words, it has not paid out all its net profit in dividends.

For example, in the 1934 fiscal year McIntyre earned $5.06 per share, paying out only $2 per share. In 1935, earnings for the fiscal year were $4.49, and in 1936 $4.03. In both these fiscal periods, dividend payments were only $2 per share.

Thus, in addition to meeting the requirements of the Insurance Act by a wide margin, McIntyre Porcupine has built up a working capital which, at the end of the 1936 fiscal year, March 31), amounted to over $15 millions, equivalent to about $19 working capital per share.

In addition to these facts, it is worth noting that McIntyre has under development several outside properties of merit, which may materially add to its present revenue from the parent Porcupine property and from investments.

Hollinger's Qualifications

The Hollinger operation, another Porcupine veteran, paid its first dividend as long ago as 1912, a quarter of a century ago. The present company, Hollinger Consolidated, however, was formed in 1916, from which date it would therefore be best to start.

Par value of Hollinger Consolidated stock is $5 per share, making the 4% requirement of the Insurance Act equivalent to 20 cents per share.

Hollinger first exceeded this rate in 1918, and has kept well above it ever since. In 1918, 25 cents per share was paid. Thus Hollinger has been meeting the percentage requirement of the Insurance Act for 19 years, as against the seven years required.

Hollinger's dividend record, in per cent is as follows:

Hollinger Con. Dividend

Year	Rate %	Amount
1917	3	728,000
1918	5	1,230,000
1919	7	1,722,000
1920	9	2,214,000
1921	13	3,198,000
1922	13	3,198,000
1923	13	3,198,000
1924	13	3,198,000
1925	17	4,378,800
1926	23	5,805,600
1927	26	6,396,000
1928	25	5,412,000
1929	13	3,198,000
1930	14	3,444,000
1931	14	3,444,000
1932	15	3,690,000
1933	17	4,182,000
1934	28	6,888,000
1935	18	4,428,000
1936	22	5,412,000

At Hollinger, dividend payments have been keeping fairly close to earnings per share, although some margin has, of course, been allowed. Working capital today has been estimated at around $2 millions.

But, like McIntyre, Hollinger has invested quite heavily in outside ventures, at least two of which, Young Davidson and the Ross Mine are proving profitable. Investments made through International Bond & Share, wholly owned Hollinger subsidiary, are bound to have reflected improved market conditions, and will, it is safe to say, show a healthy increase over the $5 millions odd shown in the 1935 balance sheet.

Teck-Hughes

Teck-Hughes dividends were first paid in 1926, in which fiscal year they amounted to 10 cents per share, or 10% of the $1 par value. Thus Teck-Hughes passes the Insurance Act test with three years to spare. True, Teck's dividend rate was reduced in 1934, but it is generally felt that Teck has a valuable asset in its 70.8% control of Lamaque Gold Mines. Opinions differ over the future of the Kirkland Lake property, although the president has stated that he expects three more years of operations at the present rate, to be followed by several years of diminishing operations. In the meantime, exclusive of its important investment in Lamaque, Teck-Hughes shows a working capital of about $2.2 millions.

Teck's dividend record has been as follows:

Teck's Dividends

Year	Rate %	Amount
1926	10	$474,714
1927	15	713,572
1928	45	2,145,215
1929	60	2,864,786
1930	60	2,870,786
1931	60	2,876,786
1932	65	3,122,644
1933	60	2,884,286
1934	60	2,884,286
1935	10	480,714
1935	40	1,922,858
1936	45	2,163,215

Lake Shore

Lake Shore Mines, the par value of whose stock is only $1 passes the requirements of the Act with ease. First dividend of this Kirkland Lake mine was paid in 1918. In the calendar year ended Dec. 31, 1936, Lake Shore dividends with extras totalled $5 per share, or 500% of the par value. Not many of the industrial companies whose common stocks are included in the portfolios of life insurance companies can equal that record.

In addition to a dividend record which has made the mine world famous, Lake Shore has built up substantial reserves. At the end of the 1936 fiscal year (June 30) working capital totalled nearly $11.5 millions, equivalent to about $5.75 per share on the two million shares outstanding. The mine, opened up already to a depth of 4,450 ft. gives no intimation that depth possibilities have been exhausted.

Smelters Eligible?

Different opinions are apparently held by insurance men as to the eligibility, under the Act, of Consolidated Mining & Smelting Co. and Dome Mines. It will be recalled that Smelters, which, incidentally, paid its first dividend in 1906, paid a 10% stock bonus in 1931, and in 1932 paid a 10% stock dividend in lieu of cash dividend. The 1931 payment is immaterial, because of the fact that it was only a bonus, Smelters in that year paying its shareholders cash dividends of 10% in addition to the stock bonus. No definite ruling is available on whether the 1932 payment outlaws Smelters or not, and it is probable that some life insurance company would have to make a test case of this stock.

Dome Not Yet Eligible

Dome Mines, whose stock is of no par value, appears definitely outlawed despite the fact some insurance men mentioned it to The Financial Post as being eligible. Dome, under the Act, would have to have paid at least $4 per share per annum for seven years. Although this company has been paying dividends since 1915, the rate did not reach $4 per share until 1935. Stock was converted to no par value shares in Nov. 1923.

Most of the mining companies shown as eligible, pay, it will be noted, considerably more in annual dividends than is required by the Insurance Act. It should, perhaps, again be pointed out that some portion of a dividend from mines must be classified as return of capital, owing to the wasting nature of the chief asset, the mine itself. However, even making due allowances for this well known axiom of mine investment, it is clear that some of Canada's mines do form fitting material for the exclusive insurance portfolios.

Central Duverny Mines Is Formed in Quebec

Central Duverny Gold Mines has been formed to develop some 1,200 acres in Duverny twp., Abitibi county, Quebec. The Central Duverny property is 18 miles northwest of Amos. Discovery of this property was made two years ago. The deposit was at that time opened up by cross trenches of intervals of approximately 100 ft. and by a series of test pits.

The company is capitalized at four million shares, $1 par. Of this amount 1.4 million shares have been issued for properties and pooled, and an additional one million shares has been underwritten and optioned, leaving 1.6 million shares in the treasury.

Officers and directors of the company are: John LeBret, Montreal, pres.; Prof. Thure Hedman, Toronto, vice-pres.; D. A. Maase, Montreal, sec.-treas.; E. Racine, Montreal, and Cesar Bouvier, Amos, director. H. A. House, Duluth, Minnesota, is also joining the board.

The original offering is being sponsored by E. M. McLean and Co.

NAPOLEON WAS RIGHT —

Napoleon is credited with being the first to discover that men well fed are men most ready to give the best that is in them. Those responsible for the work done in Canada's northland know how true this is. That is why the fare at a northern mining camp is nationally famous for its quality and quantity. That is why the north country is supplying the farmer to the south with one of his best markets. Above photo taken for The Financial Post shows an infinitesimal fraction of these supplies being loaded on to an airplane at Hudson, Ont., for delivery to the active mining areas of Northern Ontario.

British Funds Buy into Abco

Committed to Provide $270,000 for Development

From Our Own Correspondent

VANCOUVER.—Further indication of the interest of British capital in British Columbia mines, following close upon announcement that British money was behind transfer of control of Nicola Mines & Metals, is given in the revelation that the extensive holdings of Abco Mines, Ltd., on the west coast of Vancouver Island, have been bought by British financiers.

The buying group has been committed to the provision of $270,000 for development of the properties and installation of a 120-ton mill. The deal was announced by T. S. Dixon, president of Abco and interested in many business enterprises in Vancouver. Captain A. B. Henderson, geologist, represented the British interests in the negotiations with R. H. Walker & Company, fiscal agents for Abco.

The original 12 claims of Abco have been increased to 48 claims and fractions, occupying approximately 1,500 acres. The same group will also develop the Clayton-Walker group of 54 claims.

Development plans call for two main adit low-level tunnels, one at 550 feet above sea level and the other paralleling No. 1 about 8,000 feet distant. Power will come from Monarch Creek.

Thompson-Cadillac Mine Recovers $15,804 in Dec.

From Our Own Correspondent

MONTREAL.—Thompson-Cadillac Mining Corp. reports production in December of $15,804, of which $7,406 was gold bullion and the balance concentrates.

According to a report issued by Andrew Walz, engineer in charge, the tonnage treated during the month was 2,356. About 7% of the available running time was lost due to holidays and to a breakdown in the mill. The mill is now running at the rate of about 85 tons a day, and this will be increased to over 100, as soon as the installation of a secondary crusher is completed.

East Malartic Drilling Shows Good Vein Matter

Diamond drilling at the property of East Malartic Gold Mines in the Malartic area of Quebec has intercepted some interesting vein sections, J. P. Norrie reports.

In the number one shaft, raising on the 178 east vein was advanced to 65.3 ft. in the period from Dec. 16 to Dec. 31, in excellent vein material wider than the raise, Mr. Norrie states. Some high-grade sections were encountered with an average assay result of $7.35 after excluding coarse gold. On the 325-ft. level a 10-in. vein has been intercepted assaying $9.80 per ton and carrying coarse gold.

Mill at Kenty Gold Starts in Small Way

From Our Own Correspondent

SUDBURY.—Though exploratory efforts in the Swayze area proved disappointing the district is at last in production. The output, however, will not bulk largely in the aggregate of Ontario's gold production. A five-ton amalgamation mill has been placed in operation at the property of Kenty Gold Mines, the scene of the original discovery in the Swayze region, and two small gold bricks were recently taken to Toronto by F. L. Trethewey, president of Brett-Trethewey Mines.

The mill is treating ore from three narrow high-grade veins which were opened up in previous development, and it is expected to make the operations profitable.

Scott Chibougamau Arranges Diamond Drilling

From Our Own Correspondent

MONTREAL.—Scott Chibougamau Mines has placed a contract with the Continental Diamond Drilling Co. for a minimum of 5,000 feet of diamond drilling on the Duchesne Island claim in the Chibougamau district.

Work, which will commence immediately, will be under the technical direction of McKay (Quebec) Exploration Co., which is managing the property under contract with the Scott Chibougamau Co.

Current Chatter From Manitoba

From Our Own Correspondent

WINNIPEG.—Indications are the Sachigo River Exploration Co.'s camp will be of substantial size, according to Dan Lyon, prospector who has just returned from a staking expedition in that area.

Three tractor trains had reached the property following their 220-mile haul from Ilford, jumping off place on the line of the Hudson Bay railway. Three more tractor trains were on the way and it was anticipated there would be no difficulty in moving freight to the camp well on schedule.

Sinking by hand steel has already commenced and will be carried on until the machinery now arriving has been set up and power can be utilized. Six main camp buildings are complete and partially occupied.

Mr Lyon says a considerable amount of staking has been done, he himself staking a group at the east end for a Winnipeg syndicate.

* * *

Golden West Drilling

The drilling programme on the Webb-Garbutt property at Elbow Lake has been completed with satisfactory results. The drilling covered three main veins known as the Ebb, Bow and the Garbutt vein. Dr. J. F. Wright under whose general supervision the work was done, is now assembling a mining plant which will be taken to Mile 81 on the Hudson Bay line and from thence over winter roads to the property.

The company is being financed by the Century Mining Corp. of Montreal. The operating company is called Golden West Mines.

* * *

More Drilling at Gold Shower

A deep drill has been moved onto the Gold Shower group at Morton Lake for the purpose of further extending the drilling programme which has been under way most of the summer and fall months. Up to October a total of 18 holes had been drilled with an aggregate footage of 2,280 ft. This had shown up a length of 350 ft. of ore running $13.16 over 3.25 ft. Total indicated ore lengths, including this 350 ft. are shown as 600 ft. on the vein averaging $10.34 across 3.35 ft. It is now intended to cut this vein at depths from 250 to 500 ft. and it is hoped the work will be completed within the next two months.

* * *

North Star to Drill

Drilling is to commence on the property of North Star Gold Mines at Morton Lake and immediately south and adjoining the Gold Shower group, according to A. J. McLaren who is acting as consulting engineer for both properties. Some drilling has been done on North Star and an ore zone showing 2.6 feet of vein running $13.30 is indicated. This is known as the east zone. On the west zone 2.2 feet of a vein was cut running $4.90. Another hole on this same vein, however, cut a vein 3.6 feet carrying $16.90 and 3.4 feet carrying $24.15. Further drilling is suggested to gain more information about these two ore bodies at depth.

Option Gold Hill Group

A syndicate headed by Gunnar Berg has optioned the Gold Hill property at Cranberry Portage and under the terms of the option 128 feet of sinking with 400 feet of drifting is to commence before the end of February. This property was under option to R. J. Jowsey in the summer of 1936 and one payment was made, though no work was done. Two carloads of ore were shipped to the smelter at Flin Flon last year. And another carload is now being shipped.

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Fox Lake Gold Shaft Now Down to 600 Ft.

From Our Own Correspondent

SUDBURY.—No. 20 diamond drill hole at Fox Lake Gold Mines, in the West River area, is now down 600 ft. on an angle of 60 degrees, according to a report issued by Capt. W. L. Adams, president and general manager. The drill passed through two blind veins about two feet in thickness in the first 400 ft., which were well mineralized. At approximately 528 ft. to 590 ft. angular depth the drill encountered a highly mineralized vein in the formation of schisted quartzite, and Charles Johns, in an assay by the micro spot process, found values in this vein of approximately $6 per ton. The management estimates the true thickness of this vein to be approximately 39 ft.

Bralorne Ore Greatly Aided By New Strike

B. C. Producer May Increase Dividend in First Quarter

From Our Own Correspondent

VANCOUVER.—Discovery of a new vein, apparently of important proportions, at Bralorne Gold Mines focussed new interest on this big Bridge River producer, whose total output last year was valued at $2,283,000.

The strike was made in crosscutting east to open a chamber for the new shaft to be sunk in the Empire area, where most of the development is now being centred. Drifting was started at once in view of the richness of the ore encountered. About 250 ft. of commercial ore have so far been developed along approximately 300 ft. of drift. The vein has gradually increased in width from a few inches to more than four feet, with values regarded as highly satisfactory.

According to an unofficial report, after attaining a width of five feet, the vein split, with the footwall strand showing a width of 12 inches of high grade, with free gold apparent and the hanging wall strand of unknown width being wider than the drift.

Parallels Ida May

The new vein is said to be almost parallel with the Ida May (Empire) and less than 200 ft. from it, on the 8th level about 1,000 ft. from the surface. Bralorne engineers are hopeful that the new vein may be as strong as the Blackbird or Empire, which have produced a large proportion of the ore. The vein in any event is likely to increase the company's ore reserves substantially, although the extent may not be known prior to the annual meeting in April, when the figures are announced.

Bralorne is gradually extending its operations deeper, as has been done in the case of Pioneer, two miles up Cadwallader Creek. The King vein is being tested below the 14th or lowest level.

It is expected that when Bralorne makes its first dividend declaration this year the extra will be raised by five cents a share, making the dividend for the first quarter 20 cents or at the rate of 80 cents a year.

Monarch Gold Ready With Its Own Mill

From Our Own Correspondent

WINNIPEG.—Monarch Gold Mines syndicate, at Beaver Lake, 14 miles southwest of Flin Flon, and headed by Dr. J. F. Wright, has obtained a lease-option on the property from a Prince Albert company.

It has been intended originally to ship the ore to Flin Flon. A certain amount of ore has already been shipped and more is on the way. Mild weather in December, however, held up this operation and the company decided to install its own milling plant. The mill has a capacity of 25 to 35 tons a day and is ready to go into operation. High-grade ore opened on surface and indicated with a diamond drill and an incline shaft has a value of $40 to $50 per ton to the second level. Dr. Wright estimates there is $415,000 of ore to this level with every indication that it will continue at lower horizons. On the original basis of shipping the ore to Flin Flon smelter, it was estimated a profit of $188,000 was in sight. By removing the free milling gold and shipping only the concentrates the figure is expected to be considerably enlarged.

The syndicate is a closed corporation and is fully financed, it being anticipated that further costs can easily be met out of operations.

Big Missouri Sells Shares

From Our Own Correspondent

MONTREAL.—Big Missouri Mines Corp. announces that 25,000 additional shares at 50 cents a share have been taken up under the terms of the option agreement. This leaves 1,160,633 shares under option at the same price and 3,839,367 shares outstanding in the hands of the public.

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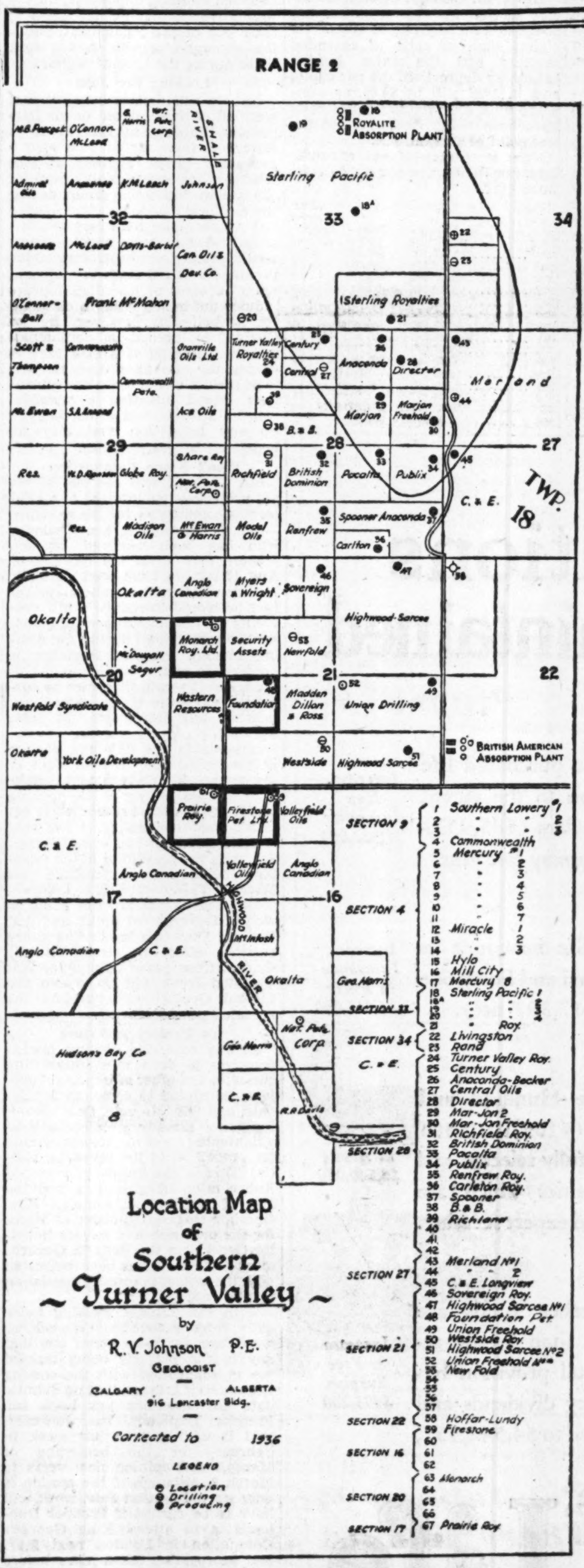

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ISSUED: - - - - 1,250,000 SHARES Par Value 25c per share

No shares other than the 1,250,000 shares already issued shall be issued or allotted without the approval of two-thirds of the votes cast at a special general meeting of the shareholders called for that purpose.

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The shareholders, as regards the net production from the well, stand in the same position as royalty holders in the ordinary royalty company, as the net production is assigned to The Trusts and Guarantee Company Limited for distribution to shareholders every three months, and in addition the shareholders own a proportionate interest in the other assets of the Company which consist of the balance of the forty acres on which this well is situated.

The gross royalty from the forty acres in question is at the rate of 20%, and in the event of obtaining daily production in excess of 500 barrels, the gross royalty will be increased to 25%. The net production is, therefore, 80%, or 75% according to the daily production from the well, against which the Company has issued 1,250,000 shares of a par value of 25c per share.

12,500 shares represent 1% of net production.
6,250 shares represent ½ of 1% of net production.
3,125 shares represent ¼ of 1% of net production.
2,500 shares represent 1-5 of 1% of net production.
1,250 shares represent 1-10 of 1% of net production.
625 shares represent 1-20 of 1% of net production.

Price 25c Per Share

Application will be made to list these shares through the Toronto, Calgary and Vancouver Exchanges.

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"The King Was My Instructor"

Member of Financial Post Staff Tells of Democracy Of Monarch When They Were in R. A. F.

By A. L. WAINWRIGHT

I knew the King when he was second in command of No. 4 Squadron of the Royal Air Force Cadet Wing at Hastings, England. That was in 1918. His job was instructing and lecturing us, to make R.A.F. officers out of raw material. He was known as Captain Prince Albert. I never heard anyone refer to him as His Royal Highness, and it hardly occurred to us that he would become King George VI. We used to covet his boots, which were the finest I have ever seen.

His job was not an easy one, because the cadets in training were all men who had seen active service, youthful veterans selected to become R.A.F. pilots. He was always proud of being connected with No. 4 Squadron because the men had been chosen on merit for the special training. We were known as the Royal Squadron on account of Prince Albert's active position with the unit.

He was the most popular officer in the whole wing and was a great deal more democratic than the others, most of whom had served in the Guards Brigade and had been attached to the wing for the same duty. The sergeant majors were also former guardsmen.

Saluting a Tree

Prince Albert's heart was in the Navy, but he had to give it up. One rainy morning he told us why. We were supposed to be engaged in map reading or some similar work outside, but it was too wet and we repaired to one of the buildings. The Prince asked us what we would like to talk about. Someone asked, "Won't you tell us about your experiences in the Navy and how you came to leave it?" With a wry face, the Prince put his hands on his stomach and said, "Please don't ask me to do that. I think my career should have been in the Navy, but I had a very bad stomach. I had a couple of surgical operations and then had to give it up."

Another day there was an amusing incident which reveals his character. "I have a very unpleasant task to perform this morning," he told us. "As you know, I have to obey instructions just as you do. I have to teach you something I am quite sure you are able to do—the proper method of saluting." So we went forth for the instruction.

The sergeant major was a former guardsman and a stickler for what he considered the proprieties. He was insistent that the Prince take a stand and that we file past and salute our officer. The Prince, however, thought otherwise. "There's a tree over there," he said; "let the tree take the salute." So, for about an hour we filed past the tree, saluting it under the directions of the frustrated sergeant major. The Prince thus avoided impressing us with any feeling of inferiority to himself or to the noncommissioned officer.

Democracy and Discipline

They say he stammers, but that's not quite right. He hesitates before speaking, which may be because of his schooling in elocution to correct an impediment in his speech. You can see him moving the muscles of his jaw when he is about to speak, but once he starts there is little hesitation. Otherwise he could not have lectured to us, and his commands were always clear and distinct.

If he was democratic, he did not allow it to interfere with discipline. One Friday morning I knocked on his door, and when he told me to come in, I said, "I've come to ask a favor, sir."

"Go ahead, what is it?" he said.

"I would like a pass for the week-end, sir."

"But I have given you passes for two recent week-ends already."

"I know that, sir," I explained, "but this is a particularly important week-end."

"It's interesting that you should ask a favor of me," said the Prince, "because I asked a favor of you and the other cadets a few days ago. I always thought you had a good memory, but you must have forgotten it."

"What was it, sir?" I asked him.

Orders Disobeyed

"You probably weren't awake," he replied. "It was early one morning at physical training parade. I asked the cadets not to smoke before noon, because it's a compulsory regulation in the Air Force, and I put you on your honor not to do it. I know you're not the only one, but I saw you putting out a cigarette the other morning. Smoking before noon is not good for you, and it's very bad before breakfast."

Anyway he gave me the pass. That day I was late getting away from camp and was rushing along the station platform looking for an empty space to get in the train, when I heard someone cry, "You're going to miss the train!" It was Prince Albert. He invited me into his carriage and when I got in, he said, "I have another complaint to make to you, Wainwright; your tennis is rotten." I rode all the way to London in his own car.

It is well known, of course, that the King is a keen tennis player. We always considered him a good sport and he was active in games and whatever else was going on. He had no special privileges in camp, and took his regular turn conducting P. T. at 6.30 a.m. in shorts and gym vest, the same scanty costume as we cadets wore.

Toast Drunk in Water

He referred to his father formally as "the King," but speaking to us informally he called him "my father." When King George V was coming down to Hastings to inspect us, the Prince informed us of it. He asked us to put on the best possible show for his father and said he knew we would not let him down, and we didn't. Afterward he conducted the King to see our quarters.

There was another reference to his father one night at mess. On Thursdays we dined with the officers. There were so many of us that we had to use the main dining hall, where we had only chipped mugs filled with water to drink the toast to the King. After dinner one cadet asked Prince Albert what his father would think of us drinking his health in water from old mugs. "Oh, well," said the Prince, "I don't suppose he'll know anything about this."

With his democratic views and his diplomacy, he should be a splendid monarch.

Financial Post Man Gives New Picture of the King

A. L. Wainright, author of the accompanying "The King Was My Instructor" featured in the February 1 issue of Maclean's Magazine is a member of the advertising staff of The Financial Post.

Mr. Wainright saw service in many branches of the army during the Great War. He enlisted in the 21st Battalion in Oct., 1914, was transferred to the Canadian Cyclist Battalion in Dec., 1914, and from there to the Fourth Brigade, Canadian Field Artillery with which he went to France in 1915. He remained there until May, 1918, when he returned to England to train with the Royal Air Force.

After the war Mr. Wainwright determined to go to Penang, Straits Settlements, to join a relative there, but it was first necessary for him to return temporarily to Canada to secure his discharge from the army. At the last moment, with his return passage to the Old Country booked, he changed his plans and threw in his lot with a group of young Canadians who were endeavoring to increase the distribution of The London Times and its other publications in Canada. He joined the staff of The Financial Post in 1926.

—Photo by Lyonde.

A. L. WAINWRIGHT

B. C. Figures Cost Of Social Services

From Our Own Correspondent

VANCOUVER.—This province is paying a big price for the honor, claimed by the British Columbia Government, of leading all Canada in social services. Adoption of health insurance will add a substantial sum to the total during the present year.

Dr. H. M. Cassidy, director of social service for the province, has completed an analysis of costs. He claims that, in spite of extended services and the extra burden caused by depression, the per capita cost in 1938 will be $4.85, as compared with $5.20 for 1929. But costs have been rising steadily since the low point of $3.06 in 1934.

Here is a table of net expenditure, population and per capita costs since 1924.

Year	Net Expenditure	Population	Per Capita Expenditures
1924	$2,216,127	567,487	$3.91
1925	2,326,204	584,693	3.98
1926	2,453,065	602,262	4.07
1927	2,760,575	618,994	4.46
1928	2,820,892	635,572	4.44
1929	3,389,804	652,269	5.20
1930	3,371,330	668,991	5.04
1931	3,347,832	685,844	5.04
1932	3,326,647	694,000	4.79
1933	2,420,146	706,200	3.42
1934	2,203,870	721,300	3.06
1935	2,385,559	734,100	3.25
1936	2,637,477	747,100	3.53
1937	3,065,526	760,700	4.02
1938	3,756,379	775,200	4.85

Party Loyalty For Duplessis Will be Tested

Said To Be Losing Hold for Failure To Fire Civil Servants

SESSION COMING

From Our Own Correspondent

QUEBEC.—The coming session of the Quebec Legislature—scheduled to open toward the end of February, or even the beginning of March—promises to be just as important for Premier Duplessis and members of his Government as was the momentous session of March, 1936, which abruptly ended with the forced resignation of the Taschereau Government, dissolution of the House, and scheduling of general elections.

There are several reasons for this, one of the most important being that it will give the Premier an opportunity of seeing just how loyal all his followers are.

It is commonly reported around Quebec that everything is not well in the ranks of the Union Nationale group, and the Prime Minister is reported as being unpopular, for the simple reason that he has failed to clear out of the Parliament Buildings all employees who started work there during the Liberal régime.

Looking For Jobs

It is argued, in many quarters, that were all of those placed in the Parliament Buildings by Liberals to be dismissed, there would be a correspondingly larger number of jobs available for those who worked for the Union Nationale group during the electoral campaign which ended last August. The mere fact that dismissal of all these civil servants would cripple administration of the province does not seem to matter at all.

Just what attitude will be adopted by Messrs. Hamel, Grégoire and Chaloult—alleged to be contemplating the founding of a new party—during the coming session remains to be seen. It is said these three members intend adopting a watchful waiting attitude, and of not holding up any legislation that may be beneficial to the province.

Won't Name Commission

Mr. Chaloult will see one of his pet projects—appointment of a civil service commission for the province—fail to materialize. Mr. Chaloult, who has been pestered by job seekers ever since the election of Aug. 17 last—as have been the other 75 Union Nationale members—promised he would introduce a bill providing for the appointment of a civil service commission during the coming session. Premier Duplessis is opposed to any commission of this kind, and it would therefore be surprising were the civil service commission bill introduced, at least during the coming session.

Liberals in the city and district profess to be able to read signs of discontent in Government ranks with the postponing of the opening of the session. First scheduled to get under way in January, it has now been deferred until the end of February, with the possibility of the members being only summoned for March 3. This, according to Liberals, means that things are not going so well in Government ranks, and that Premier Duplessis is bending every possible effort to straighten our sharp differences of opinion, so that a united front will be shown the Liberal Opposition, wherefore the repeated postponements.

To Protect Investors

At any rate, the coming session promises to be a most interesting one, with a number of important projects scheduled to come up for debate, and possible vote. One item of legislation already promised will be a tightening up of the laws providing for protection of the investing public. This is the result of reported Rubec mine irregularities, and the alleged "salting" of samples. Hon. Onésime Gagnon, Minister of Mines for the province, and former Solicitor-General in the Bennett Government at Ottawa, has been entrusted with the task of preparing legislation to this end.

With the Cabinet meeting twice daily, three or four times a week, no word has yet been given out that any of the projects being tackled are in connection with the coming session, so it is taken that no definite date for this has yet been set. Premier Duplessis, has, however, said it will be "the last week in February or the beginning of March," and opinion now veers to March 3, although if the session is only started on that date, work will have to be rushed if Premier Duplessis is to attend King George's Coronation in London next May, and prorogation takes place before he leaves Quebec.

Edmonton City Dairy Cuts Dividend to 5%

Edmonton City Dairy Ltd. has reduced its payments on its 6½% preferred stock to an annual rate of 5%.

The full 6½% rate had been paid regularly since 1929 until Jan. 2, 1937, when $1.25 a share was disbursed instead of the regular quarterly amount of $1.62½ a share.

Joint Seaway Pact Hoped for by March

U. S. Pressing for Treaty to Include Niagara Falls Improvement Scheme — Ontario Uncertain

Pressure is being brought by U. S. interests to bring to a speedy and successful conclusion a new treaty involving jointly the St. Lawrence seaway and a revised draft of the Niagara Falls beautification treaty of 1929.

A conference at Washington's White House recently, which included Norman Armour, U. S. Minister to Canada and John Hickerson, head of the Canadian section of the U. S. State Department, discussed this matter with a view to bringing it directly before the Senate Foreign Relations Committee which would be charged with obtaining ratification in the U. S.

Much Work to be Done

The Ottawa viewpoint on these discussions is that they are still very sketchy and that nothing can be announced as yet as to how such a treaty would allocate the vital questions of costs either between Canada and the United States or between Ontario and the Federal Government.

Premier Hepburn's absence in Arizona is expected to further delay negotiations, although Washington reports state "it is practically assured that the enlarged treaty will be ready for submission by March." This is somewhat more optimistic than the Ottawa view that it will be three months or more before a final agreement can be expected.

Ontario Major Link

Major link in the treaty as far as Canada is concerned is Ontario. Under the former treaty which failed of ratification in the U. S. Senate, the major financial burden in Canada (involving an ultimate expenditure of between $100 and $120 millions) would have fallen on Ontario's shoulders and would represent the cost to that province of developing the million or more horsepower it would receive ultimately from this development.

The present Hepburn Government has publicly stated its refusal to sanction such an expenditure, but current controversies regarding power contracts and shortages have thrown new and important political factors into the ring which may change the situation materially.

May Force Issue

It has even been suggested for example, that the Hepburn Government might actually welcome a stand on the St. Lawrence development by Ottawa which would force Ontario to go along and create, in effect, a "face-saving situation" as far as Messrs. Hepburn and Roebuck are concerned. Certainly the politics of the Ontario situation are so highly involved at the present time as to cast grave doubts on the ultimate outcome as far as the participation of that province is concerned.

The St. Lawrence aspect of the treaty is not expected to be altered very much so far as Ontario is concerned. An obstacle to the United States' acceptance of the treaty is the clause providing for the employment of Canadians even on works financed by the United States, and it has been suggested that a compromise may be worked out.

The Niagara Falls beautification scheme which it is now proposed to carry through jointly with the St. Lawrence seaway development, was nominally to preserve the scenic beauty of the falls. It still languishes in the Foreign Relations Committee of the U. S. Senate, because of the power section it embraces. In return for a small investment in weirs to spread the water over the crest of the falls, it permitted the Niagara Falls Power Co., as well as the Hydro-Electric Power Commission of Ontario, to divert 20,000 and ultimately 40,000 cubic second feet for power purposes.

The beautification would rewater the two flanks of the Horseshoe Falls. An unbroken crestline over the falls from shore to shore at all seasons of the year was envisioned. An adequate flow was also guaranteed at the American rapids and falls and by the Three Sister Islands.

Ontario Hydro Planning $500,000 Dam in North

Hydro-Electric Power Commission of Ontario plans expenditure of some $500,000 on construction of a storage dam to regulate the flow of water to the Abitibi Canyon plant in the Northern Ontario system.

The plan is to construct a storage dam on the Frederickhouse River to control lake levels and thereby increase the capacity of the power plant. The capacity from the present water flow is 275,000 h.p. which is estimated to be sufficient to provide for the next three years' power demands. The capacity of the plant is limited by the water supply and this can be expanded by use of the storage dam.

Rapidly increasing demand for power in Northern Ontario has come from expansion of operations in newsprint mills and at numerous mining properties. The primary power load of the northern system was 100,277 h.p. in Dec., 1936, compared with 81,033 h.p. in 1935.

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Obituaries

Ernest E. Codere, manager for the Sun Life Assurance Co. at Sherbrooke, Que.

John G. Borthwick, of Montreal, manager for Canada and Newfoundland of the Caledonian Insurance Co., of Edinburgh and president of the Dominion Board of Fire Underwriters in 1929.

Walter G. Lynch, western credit manager for Industrial Acceptance Corp., in Montreal. He was formerly a branch manager for the Canadian Bank of Commerce in Edmonton, Alta.

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